To

T. Mortimer Courtney Esq.r

with

the compliments & thanks

of

Robert Chalmers

27. xi. 1893.

A

HISTORY OF CURRENCY

IN THE

BRITISH COLONIES.

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BY

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OF ORIEL COLLEGE, OXFORD: AND OF HER MAJESTY'S TREASURY.

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PREFACE.

THIS book, though written by an official, and based on official records, is not an "official" publication. For the statements it contains, I alone am responsible; and the views expressed in it are my own personal views.

Three or four years ago, when my official duties had led me to take a personal interest in the study of colonial currency, it was suggested to me that I should put into shape the materials I had collected. This book is the result. In its present form it has considerably outgrown my first scheme, which was simply to state existing facts respecting the currency of each colony, in law and in practice. This original scheme I soon abandoned, in view of the difficulty of making the present intelligible without constant reference to the past. I then proposed to myself to bring up to date the "Currency of the British Colonies," published (anonymously) in 1848, by James Pennington, of the Treasury. But investigation showed that, valuable as is Pennington's book with reference to the remedial legislation of 1838, of which he was in fact the author, his researches into earlier currency history were strictly limited to the practical object which he successfully accomplished, and that it was necessary to go further afield in order to understand the origin and development of the anomalous systems of "denominational currency," which prevailed in the British Colonies prior to 1838. Moreover, a prominent feature in modern colonial currency is the circulation of Notes, by Governments or Banks; and it would have been wholly inadequate at the present day to follow Pennington in dealing simply with metallic standards. India, also, though not a "colony," could not reasonably be omitted. Finally, therefore, I set myself the task of writing a

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history, as complete as materials and space would allow, of colonial currency from the earliest times to the present day. embracing not only coin and notes, but also the monetary use of standard commodities, which was so characteristic of the early currency of the Colonies.

The field is a new one; and I have had to make my own surveys, and set up my own landmarks. This, and the multiplicity of detail inseparable from a work of this nature, I may be allowed to plead in extenuation of any errors which have found their way into the text.

My materials have been drawn almost exclusively from official sources, supplemented by contemporary tracts and colonial histories. The main plan which I have followed in connection with each colony has been to start with the series of legislative enactments governing its currency, and to fill in this outline from official despatches, for access to which I am indebted to the Honourable Robert Meade, C.B., the Permanent Under Secretary of State for the Colonies. These official despatches, now deposited in the Record Office, form several thousand MS. volumes, which are mostly unindexed, and nearly all uncalendared.

The mode of arrangement which has been adopted is primarily geographical; but, within certain great geographical divisions, I have endeavoured to introduce an historical principle. For example, in the division "America and the West Indies," the ancient colony of Barbados has been put first, followed by its daughter-colony the Leeward Islands; whilst the Windward Islands come third as having borrowed their early system of currency from the Leewards. Similarly, the division "Africa" opens with Sierra Leone, from which the Gold Coast, Lagos, and the Gambia were successively separated; and New South Wales naturally heads the Colonies of Australasia. It has not seemed to me advisable to adopt the more scientific classification according to "currency areas."

As the early metallic currency of the British Colonies consisted chiefly of non-British coins, I have thought it

necessary, for the sake of clearness and completeness, to give in Appendix A. an account of the foreign, as well as the sterling, coins current; and I have been at pains to compile a history of the old Spanish dollar (or "piece-of-eight") and of its modern Mexican representative, which will, I venture to think, be found more complete than any other account of this universal coin of three centuries. For purposes of practical utility, as well as to furnish a series of *pièces justificatives*, I have added in Appendix B. a series of the principal Imperial statutory and other provisions relating to the currency of the Colonies generally, from 1704 to the present day. To give the complete series of Proclamations and Acts in the several Colonies individually, no less than four or five additional volumes would have been required.

Though I have written mainly for those responsible at Home and in the Colonies for the regulation of colonial currency, I have tried also to keep in view the numismatist and the student of currency in general. The numismatist will find in these pages all the detailed information which I could glean from the official records, more particularly with regard to "cut money" and coins specially struck in or for the Colonies; and it is hoped that in some respects this information may supplement Atkins' standard "Coins and Tokens of the Possessions and Colonies of the British Empire." On the other hand, though I have endeavoured to avoid general currency discussions, and have presumed a general acquaintance with the subject, yet so wide is the field of colonial currency, and so varied have been the experiments made within this field, that students of currency will find in these pages fresh materials for the history of the subject, and may not impossibly derive from colonial experience suggestions for the solution of wider problems. The three centuries of the history of colonial currency have exhibited the phenomena, singly or in combination, of barter, monometallism (gold, silver, and even copper), bimetallism, and paper currency of all grades of imperfection; there are few experiments in currency which that history does not record, and no blunders of which it does not indicate the punishment; the general lesson which it enforces, is that

the ukases of governments are futile, when opposed to trade relations and the natural trend of commerce. In the quaint words of Thomas Violet in 1643, "Time, the truest Schoolmaster, hath taught all ages to know that little penalties could yet never interpose between the Merchant and his profit."

The most pleasant part of my task remains to be performed. To Mr. Hubert Hall, of the Record Office, I am indebted for the pains which he has been so kind as to take in piloting me through the wilderness of the official records. And to Mr. Edward Rigg, of the Royal Mint, I have to express my thanks for expert assistance in connection with the tables of foreign coins, and many other matters.

My especial thanks are due to my friend Mr. C. A. Harris, of the Colonial Office. It is through his agency that the several chapters of my manuscript have been submitted to local experts; he has himself revised my proof sheets throughout; and he has personally contributed the three chapters dealing with the Mediterranean Colonies. In all these ways he has rendered me assistance which will be as obvious to others as it is appreciated by myself. But the encouragement and advice which he has afforded me, without stint, during the years this book has been in preparation, constitute a claim to my personal gratitude which I cannot adequately express.

ROBERT CHALMERS.

LONDON, 13 January 1893.

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GENERAL.

CHAPTER I.

General Survey.

British colonial history covers only the last three centuries. In the 17th century, in addition to the mainland "Plantations" (now part of the United States of America), the colonial possessions of Great Britain comprised little else than the senior colony of Newfoundland and part of the West Indies. In the 18th century Gibraltar, Canada, and India were won, and the New England States lost. And in the last hundred years Australasia, South Africa, Malta, the Eastern Colonies, and numerous other possessions have been added to the British Empire.

At the present day, the currency of the British Colonies is as varied as their geographical position; and the description of their existing monetary systems would form a catalogue rather than a history. In the light of the past, however, these anomalous systems exhibit a certain unity, which renders an historical treatment possible. This unity results from their historical evolution; for, past history, like a geological record, explains and correlates the divergent systems now existing. From this point of view, the ancient West Indian Colonies are the most important, inasmuch as they have passed in the three centuries of their history through nearly all the normal phases of currency evolution. Accordingly, the West Indies will be regarded in the following pages as indicating the main line along which colonial currency has developed, until half a century ago; and a consideration will be given to the currency of these Islands (and, where necessary, of the coeval "Plantations" on the mainland), which, though out of proportion to their modern importance, is justified by the fact that they furnish the key to the history of colonial currency as a whole.

In 1704, and again in 1825, the Imperial Government legislated with a view to regulating colonial currency; and these two dates may conveniently be taken as dividing the history of the subject into three epochs, the first of which ends with 1704, the second with 1825, whilst the third epoch extends from 1825 to the present day. But, whilst there is a certain unity running through the history of currency in the Colonies generally, rendering a general survey possible in more than a merely chronological sense, a special word is necessary as regards India. This great dependency stands on a footing, and has a history, entirely distinct from British Colonies in general. The Indian Empire originated in trading-stations, not colonial settlements; these trading-stations were formed, not amongst barbarous tribes like the early "Plan-

tations," but in the midst of highly civilised communities, tenacious even to bigotry of a consistent tradition in currency; further, the administration of the early trading-stations in India, as of the later Indian Empire prior to 1858, was directed, not by the Imperial Government, as in the case of the Colonies, but by a trading company; and even in the present day the affairs of India are controlled in this country, not by the Colonial Office, as is the case with all British Colonies, but by a distinct Department of State. Indian currency, accordingly, stands so far removed from the currency of the Colonies proper that, except in connection with recent years, its history has been excluded from this general survey and confined to the special chapter dealing with British India.*

These prefatory remarks may serve to indicate the scope within which the history of colonial currency is treated under its three periods in the following pages.

I.—Prior to 1704.

In theory currency followed the flag; in practice it was only the denomination, and not the sterling coin, which followed the English settlers of the 17th century to the "Plantations" of the New World. The only coins they saw were of foreign silver, chiefly Spanish; and these foreign silver coins they rated in terms of sterling, thus originating the complexities of "denominational currency" which still survive in the quotation of Halifax exchanges.† It was not that the colonists had any quarrel with the monetary system of the mother country; they were only too anxious to see sterling circulating among them.‡ Nor is the cause to be sought in the Imperial policy expressed (*e.g.*) in the words of a Proclamation of James I., that "the treasure of gold and silver brought into the realm should be considered as an *immoveable* and perpetual stock."§ For, as Thomas Violet shows,‖ there were countless subterfuges and devices for smuggling coin out of the kingdom if any profit were to be made; and the

* It is interesting, however, to note that the modern silver monometallism of India has the same immediate origin as the gold monometallism of the United Kingdom, both being the fruit of Lord Liverpool's classic "Letter to the King" of 1805. And, in still more recent years, the paper currency of India has been modelled on the lines of Sir Robert Peel's Bank Acts of 1844–5.

† *See* article on "Denominational Currency," by Mr. C. A. Harris in the "Dictionary of Political Economy" (London, 1892).

‡ Though the Virginia Charter of 10th April, 1606, gave the Company the power "lawfully to establish and cause to be made a coin to pass current there," no coinage was struck. (Crosby, "Early Coins of America," Boston, 1878, pp. 19—22.) *See* also coinage powers granted in 1615 to the Somer Islands Company (*infra*. page 150).

§ "Surely," observes Walter Merrey in his "Remarks on the Coinage of England" (London, 1789), "King James thought his Proclamations were as powerful as the Pope's bulls were formerly. Had he been sovereign of the world, his prohibiting the use of foilage would have had little effect; but as King of a small Island, it was like ordering the people at Hull not to draw a bucket of water out of the river, lest the tide should not rise high enough in the Humber."

‖ "An Humble Declaration," by Thomas Violet of London: Goldsmith (London, 1643).

state of the silver currency of England in the 17th and 18th centuries (*see* p. 400) is ample proof of the failure of this prohibitive legislation. It is necessary to go further afield to understand the reasons why only the denominations of sterling were current in the British Colonies in the New World.

The chief reason was that the early colonists were poor men, with new countries to develope by the slow processes of agriculture. As a consequence, they required, and received, commodities—not coin—from England in return for such part of their exported produce as was not already hypothecated to duties and other home liabilities. Hence coined money was rare amongst them; and the flow of such specie as they had was not from, but to, Europe.* Staple commodities formed the normal medium of exchange. Even where coined money was plentiful, it was frequently used for external rather than for domestic payments. Writing of Maryland in 1671, Ogilby, in his "Description of the New World," says: "The general way of Traffick and Commerce there is chiefly by Barter or Exchange of one Commodity for another; yet there wants not, besides English and other foraign Coyns, some of his Lordship's † own Coyn." And Oldmixon wrote of the same colony in 1708 as follows:—"The Lord Proprietary had a Mint here, to coin Money, but it was never much made use of. . . . . Tobacco is their Meat, Drink, Cloathing, and Money: Not but that they have both Spanish and English Money pretty plenty, which serves only for Pocket-Expences, and not for Trade, Tobacco being the Standard of that, as well with the Planters and others, as with the Merchants." Other colonies were not so well off for coin. Excluding the prosperous colonies of Virginia, Maryland, and Jamaica, it may be said generally of the rest that commodities were the only "money" they commonly saw before the closing years of the 17th century. But with growing commerce with the Spanish main,‡ and the rise of the Buccaneers in the West Indies, the plantations naturally and necessarily began to form part of a currency area dominated by the silver "piece of eight" from Spanish America. Spanish coins now began to circulate to a greater or less extent in all the plantations; and the colonists through whose hands they passed, proceeded to rate them con-

* "And 'tis computed that there is *exported* from Great Britain and Ireland to the several Colonies and Plantations belonging to the Crown in America, to the value of 850,000 *l.*, and that the *Importotions* from them all, including silver and gold, &c., are to the value of 2,600,000 *l.* So that over and above what we send to our colonies and plantations in our manufactures, native product, and foreign commodities, we have a balance in return thereof to the value of 1,750,000 *l.*, which centres and remains among us" ("A Survey of Trade," by William Wood, London, 1718). The same author states that the value of the sugar from Jamaica, Barbados, and the Leeward Islands was 1,300,000 *l.* per annum, and of the tobacco from Virginia and Maryland, 600,000 *l.*, or 1,900,000 *l.* in all out of the above 2,600,000 *l.*

† The Lord Proprietor of Maryland was Cecil, Lord Baltimore.

‡ "Spain being the Cistern and Receptacle of almost all the Gold and Silver. . . . . Although that we do draw some drops of this Indian spring, whereof Spain is the Cistern, yet we do draw them at the second-hand": Rice Vaughan, "A Discourse of Coin and Coinage," London, 1675 (written before 1635).

currently with the sterling of which they retained only the denomination.*

The sterling value generally accepted in the 17th century for the piece of eight was 4 *s.* 6 *d.*, the rating subsequently stereotyped by Queen Anne's Proclamation of 1704 (*see* page 14) and by Sir Isaac Newton's Tables of 1717. But side by side with this *silver* parity, there was a popular rating† of the piece of eight by tale at 5 *s.*, partly due to the general resemblance of that coin to an English crown. In Jamaica, however, the rating was 4 *s.* (the *Real*, or unit, being taken as a "Spanish sixpence"); and a parallel for this can be proved in the case of the ancient colony of the Bermudas, and may be presumed for Barbados. The strict 4 *s.* 6 *d.* rating is said to have continued in Maryland‡ and Virginia§ until 1700 (according to the memorial of 5th July of that year, presented to the Board of Trade and Plantations, by Mr. John Fysack).‖ But, generally speaking, the plantation rating was 5 *s.* in the 17th century;—Massachusetts prescribed this rate on 8th September 1642,¶ and the Bermudas in 1658;

* The early insufficiency of metallic currency had led to the monetary use of tobacco, corn, wampum, sugar, rum, cotton wool, mahogany, molasses, ginger, indigo, skins, &c. In Virginia in 1618 tobacco was rated at 3 *s.* a pound ("and not more or less, on the penalty of three years' servitude to the colony"); in Massachusetts in 1643 "wampompeag" was made a legal tender; sugar, tobacco, and other commodities were the monetary standard of the West Indies in the 17th and 18th centuries (*see* under British Honduras, Bermuda, Barbados, and the Leeward Islands); and the use of dried codfish as a circulating medium has persisted to modern times in Newfoundland.

Curious as a detail in the history of prices is the statement from Holmes' "American Annals," quoted in Hankey's "History of Banking in America," that the 150 "young and uncorrupt girls" imported into Virginia in 1620 and 1621 as wives for the colonists, were rated originally at 100lbs. of tobacco (15 *l.*), but subsequently at the increased price of 150lbs (22 *l.* 10 *s.*). "The Rev. Mr. Weems, a Virginian writer, intimates that it would have done a man's heart good to see the gallant young Virginians hastening to the water-side when a vessel arrived from London, each carrying a bundle of the best tobacco under his arm, and taking back with him a beautiful and virtuous young wife."

† "The said *Royal of Eight* runs in account of trade at 5 *s.* of his Majesties now English Mony." (Sir Robert Cotton's Privy Council Report of 2nd Sept. 1626, printed in "Select Tracts on Money," London, 1856).

"And again say thay, the Ryall of Eight and the Rix Dollar are both of them reputed as equal to five shillings sterling, but hold in intrinsical value less by ten in the hundred." (Rice Vaughan.) It will be observed that this passage is evidence both of the 5 *s.* and of the 4 *s.* 6 *d.* rating.

‡ This is dubious (see *infra*, page 14). When in 1659 (Crosby, page 124) Lord Baltimore coined (a few) silver shillings, sixpences, groats, and copper pence for Maryland, the coins were to be of standard fineness, but only to "weigh above nyne pence" per shilling. This depreciation is equivalent to a 6 *s.* rating of the Piece of Eight. Felt ("Massachusetts Currency," Boston, 1839) is wrong in thinking the coins were "equivalent to English sterling." Ruding thought the 1 *s.* worth 10 *d.* ("Annals of the Coinage," Vol. 1, p. 417).

§ From 1645 to 1655 the legal rating had been 6 *s.* in Virginia. Apparently a 6 *s.* rating was temporarily in force again in 1679. (*See* Crosby, pages 22-24.)

‖ *See* page 12.

¶ "This Cort considring the oft occasions wee have of trading w^th^ the hollanders at the Dutch Plantation and otherwise; do therefore order that the holland ducatoon being worth 3 gilders shalbee current at 6 *s.* in all paym^ts^ with^in^ o^r^ jurisdiction & the rix doller being two & a half gildrs shalbee likewise currant at 5 *s.*, & the ryall of 8: shalbee also currant at 5*s.*"

Jamaica took the same step in 1671; whilst by the close of the century in Barbados, Carolina, and the Bahamas, the same rating prevailed, continuing in Canada until recent times as the basis of "Halifax Currency."

This 5 *s.* rating and its relation to sterling moneys, is thus referred to in "A Discourse Concerning the Currencies of the British Plantations in America," originally printed (anonymously) in 1740, at Boston in New England, and reprinted in Lord Overstone's "Select Tracts on Paper Currency":—"Originally, and for some years following, in all the English American colonies, 5 *s.* denomination was equal to an English crown sterling. After some time, Pieces of Eight being the general currency of all foreign American colonists, became also their currency; and they remitted or gave credit to the merchants at home (by home is meant Great Britain) a Piece of Eight (value 4 *s.* 6 *d.* sterling) for a crown or 5 *s.* sterling. This was a fraud of 11 per cent. In sundry of our colonies were enacted laws against passing of light Pieces of Eight. These laws not being put into execution, heavy and light Pieces of Eight passed promiscously; and, as it always happens, a bad currency drove away the good currency; heavy Pieces of Eight were shipped off. This current money growing daily lighter, a difference was made between heavy money which became merchandize, and light money, in which they paid their debts, gradually from 10, 15, 20, to 25 per cent., as at present in Jamaica. This was another and continued course of cheating their Creditors and Employers at home."*

But there were deeper causes than the writer of 1740 indicates for the clipping of Spanish silver and the colonial raising of its denominational value. For the colonies, imbued as they were with the old doctrine that wealth consisted of money, and conscious as they were of the inconvenience of having insufficient coin in circulation for the purposes of trade, were naturally anxious, as they became more settled, to retain, and not to export, such coins as came among them. Imitating the practices familiar to them in England, dishonest persons traded on the desire of the young communities for a metallic currency, by circulating clipped money at the full rate; and this malpractice was condoned by the colonies when it was found that the light money was more apt to stay with them than "broad" pieces. Moreover, with silver as the colonial standard of value, whilst in England the real standard was gold, payment by tale at the English silver-parity for the piece of eight entailed a loss on the remittance of these coins to England, a loss which was readily avoided by reducing the weight of pieces of eight to correspond with the dominant European ratio of silver to gold. Further, "the raising of the moneys"† was an expedient well-known and

* *See* also an anonymous Tract occasioned by the above "Discourse," and published in London in 1741 under the title of "Observations Occasioned by Reading a Pamphlet."

† "For say they, If we do observe those States which do soonest and most raise their Money, we shall find that they do most abound with Money; and that Trader and Manufacturer do most flourish there. As for example the United Provinces, and the Arch-Dukes Country and the Hauns Towns." (Rice Vaughan.)

widely practised in contemporary Europe, as was the diminution of fine content; and clipping by the subject was the counterpart of the debasement of coins by the sovereign. Hence it came about that by the middle of the seventeenth century clipping was rampant in the West Indies,* and light Spanish silver coins became the general standard of value in the British possessions in the New World.

So far as can be gathered now, Jamaica and New England took the lead in these proceedings. Jamaica, the home of the Buccaneers and the chief naval and military centre in the troubled years of the 17th century, enjoyed an abundance of metallic currency in marked contrast to the lack of coins in the other West Indian Islands and in the English settlements on the mainland. And it is important to note that in Jamaica, whence Spanish coins passed to other Plantations in the second half of the 17th century,† the Real appears to have passed popularly as the equivalent of the sixpence which its appearance suggested, with the necessary consequence that the piece of eight passed for only 4 *s.*, or 6 *d.* under its accepted sterling value. Hence, naturally enough, there was a tendency to clip the piece of eight down to a weight representing a sterling value of 4 *s.*, or more probably to a weight representing 4 *s.* currency in the neighbouring colonies, such as Barbados, where the general 5 *s.* rating prevailed. In the latter case the reduction would be 20 per cent., which corresponds with Chr: Codrington's Statement in 1691 (see *infra*) that the pieces of eight current in Barbados and the Leeward Islands were only worth from 3 *s.* 6 *d.* to 3*s.* 9 *d.* sterling, instead of 4 *s.* 6 *d.* This would appear to be the chief origin of the early circulation of clipped Spanish silver in America and the West Indies, aided doubtless by the universal tendency to cut up coins in order to remedy a dearth of small change.‡ It is at any rate certain that by the close of the first half of the 17th century light Spanish coins were being circulated from the West Indies through the Plantations of the New World. And the predominance of these light coins (and counterfeit money), coupled with the inconvenience of barter and of an inadequate medium of circulation, § led the

* "Our vessels which traded to the West Indies took considerable quantities of light Spanish coyne, whereby many people were concerned and the Colony in danger of being undone thereby." (Felt, quoting from the Mass. Archives of 30th October 1684, cited more fully in note §, *infra*.)

† Other West Indian Islands had previously brought coin to the mainland Plantations. For Winthrop (Journal, vol. i, page 369, cited by Crosby) says that on 27th August 1639, there "came a small bark from the West Indies, one Captain Jackson in her, with commission from the Westminster Company to take prize, etc., from the Spaniard. He brought much wealth in money, plate, indico, and sugar."

‡ See (*e.g.*) under West Indies, West Africa, and Australia

§ "And as for the minting or stamping pieces of Silver to pass among our selves for xii*d.*, vi*d.*, iii*d.*" (the twopence was struck in 1662), "we were necessitated thereunto, having no staple Comodity in our Country to pay debts or buy necessaries, but Fish & Corn; which was so cumbersom & troublesom as could not be born. And therefore for some years Paper-Bills passed for payment of Debts; w^ch were very subject to be lost, rent, or counterfeited, & other inconveniences. Then comes in a considerable quantity of light

colony of New England on 31st May 1652, boldly to set about minting money for itself "of good silver of the just allay of new sterling English mony, and for valew to stampe two * pence in a shilling of less valew than the present English coyne, and the lesser pieces proportionably." Felt adds that "we have the report of a Committee, designated by the General Court in 1654, which expressly states that our coin passed abroad at the discount of one fourth of its home value." † Consequently a "Boston, or Bay, shilling" passed for 9 *d.* sterling; and as the new coins were immediately carried out of the country (*e.g.* to the Leeward Islands, ‡ *see* page 64), it follows as a corollary of their concurrent circulation with the piece of eight, that the latter coin (of full weight) must have passed at 6 *s.*, *i.e.*, one-third above its accepted sterling value of 4 *s.* 6 *d.* This was indeed the rating adopted between 1670 and 1672 both in the Leeward Islands and in New England. §

The stimulus given to clipping by the New England coinage speedily led to the currency of *light* pieces of eight at 6 *s.* and to the raising of the rating of coins of full weight. Jamaica in 1671 raised the local rating to 5 *s.*, to be on a par with its neighbours and to endeavour to keep its specie in the Island; but this measure failed to check the old habit of clipping in this the bullion-centre of the West Indies. Positive evidence is forthcoming to show the lengths to which clipping proceeded, as appears from the following extract from the Minutes of the Board of Trade and Plantations for 21st April 1703:—"The gentlemen concerned for Jamaica informed the Board that the rate of pieces of eight of about 13½ d. weight is there at 5 *s.*, and those above 16 d. weight at 5 *s.* 6 *d.*" The former of these ratings is equivalent to 6 *s.* 6 *d.* for a piece of eight of 17½ dwts. And on 13th July 1691, Christopher Codrington wrote from Antigua:—"Our pieces of eight generally not being worth above 3 *s.* 6 *d.* and 3 *s.* 9 *d.*, some 4 *s.*, and (when full weight, which one

base Spanish Money, whereby many people were cousened, & the Colony in danger of being undon thereby; Which put vs upon the project of melting it down and stamping such pieces as aforesaid to pass in paym^t of Debts amongst our selves. Nor did we know it to be against any Law of England, or against His Majesties Will or pleasure, till of late; but rather that there was a tacit allowance and approbation of it." (Mass. Archives of 30th October 1684, cited by Crosby, page 76.) The Diary of John Hull, the first Mint-master (cited by Crosby, page 31), partly attributes the establishment of the Mint to "much counterfeit coin brought in the country." Cf. the proviso against "brass or copper" pieces of eight in the Minute of the Council of the Bermudas in April 1653.

* The original draft was "three" pence, as appears from the heliotype copy of the document in Crosby's work.

† A long Report upon these coins from the Royal Mint to the Treasury under date 15th January 1684 (old style) says the fineness was of the English standard, but that the weight was 22½ per cent. less than the corresponding sterling coins.

‡ Crosby is mistaken in thinking that these coins had no currency elsewhere than in the New England colonies, except as bullion.

§ In Virginia and the four Eastern States this 6*s.* rating persisted until the coinage of the United States began and the denomination of money became dollars and cents. (Robert Morris, 15th January 1782, cited by Crosby, page 308.)

in 100 is not) 4 *s.* 4½ *d.*, and in Barbados they pass for 5 *s.*, and in these Islands for 6 *s.*" Presuming Colonel Codrington to refer to only 17 dwts. as the "full weight" (*see* 1699 Act of Antigua, p. 67), his mean quotation of 3 *s.* 9 *d.* gives the local value of a piece of eight of 17½ dwts. as about 6 *s.* for Barbados, and 7 *s.* 2½ *d.* for the Leeward Islands, the latter figure being identical with the ratings deducible from the 1699 Act of Antigua.

Briefly, therefore, the currency history of the period prior to 1704 is marked (*a*) by the rise of "denominational currency" systems as the result of competitive over-valuation of Spanish silver in terms of sterling, and (*b*) by the final predominance of the *clipped* piece of eight.* But it was not till the close of this period that coin superseded commodities even in prosperous colonies; in the more backward settlements barter continued to dominate the currency.† Gold coins were of rare occurrence and were regarded as counters rather than as real "money."‡

* Too late for me to make an adequate use of it for this book, I became acquainted with the valuable *Histoire Monétaire des Colonies Françaises*, published by M. Zay last year at Paris, "d'après les documents officiels." I have only been able to give a few references to his book, *e.g.* under Canada, West Indies, and the Mauritius.

† *E.g.* In the Leeward Islands.

On 21 May 1701 Samuel Davies represented to the Treasury that "the least piece of Money comonly current in the Islands & Colonys vpon the Continent of America is Seven pense halfe penny, being an 8ᵗ part of a piece of Eight, which puts yᵉ Inhabitants to yᵉ necessity of Carrying Sugar & Tobacco vpon their Backs to barter for little Comon Necessarys. . . . The proper remedy is to Coin halfe pence & pence of Copper or a Mixed Metall, & of half yᵉ value the English Small Money is made, with severall Mottoes or Devices for yᵉ Severall Colonys, & to Order them to pass only in the respective Colonys for which they shall be Appointed, viz., one Sort for all the Colonys vpon the Continent, another Sort for the Island of Barbadoes, a 3ᵈ sort for Jamaica, & a 4th Sort for all the Leeward Islands. This method will keep the Money within the respective colonys." (Samuel Davis concluded by "humbly praying a Third part of the profit for his discovery.") The Royal Mint favoured the proposed coinage of debased copper, but the Board of Trade, whom the Treasury consulted, appear to have shelved the matter, and no action was taken.

‡ It may here be stated that the only Imperial step which would appear to have been taken before the revolution of 1688 to meet the difficulties attending currency in the colonies was the striking of an interesting coin in *tin* in the reign of James II. This bears the legend "Val 4 Part. Real-Hispan.," and had no central plug of copper, but was mainly identical with the tin farthings issued under Patent from Charles II. and his successor by Thomas Neale and others, who coined 20*d.* from a pound of tin, and paid 40 % profit to their Majesties. There seems no ground for the view which assigns this coin to Florida. (*See* Leake's "Historical Account of English Money," 1793, and Montagu's "Copper, Tin, and Bronze Coinage of England," 1885).

On 19 January 1691 the same Thomas Neale and the other officers of the Royal Mint suggested to the Treasury that New England might "be Supplyed with Pence, Halfe Pence, & farthings, of Tinn, from England, to their Maᵗᶦᵉˢ Advantage." In 1694 halfpence (with an elephant on the obverse) were struck for Carolina and New England.

From a Massachusetts Act of 21 February 1700–1, it appears that "some persons, for private gain, have of late presumed to Stamp & Emit pieces of Brass & Tin at the rate of a penny each." "It was formerly customary for private Persons in England to coyn farthings for their own Use," says a pamphlet of 1688, "New England Vindicated." But this practice ended in the reign of James I., according to Ruding, vol. i. page 369.

II.—1704–1825.

In the 17th century the regulation of colonial currency had been tacitly left in the hands of the Colonies themselves,* and denominational currency had been established. Confusion reigned, and complaints began to pour in on the home government. The early years of the 18th century were marked by a serious effort in England to grapple with the grave inconveniences and anomalies of colonial currency as a whole, and to introduce law and order perforce. Being inadequate in its scope, the effort failed of its direct object; but, as will subsequently be seen, its indirect results were important. For it drove the West Indian Colonies to adopt a *gold* standard, of which they were only robbed by the mistaken Imperial legislation of 1825. On the other hand, the recalcitrant colonies of the mainland (with the exception of Virginia) took refuge in paper money, which they issued in prejudicial profusion; and from the Imperial legislation of 1704 may be dated the traditional preference for paper which characterises the currency of the United States.

In tracing the history of this important first intervention of the Imperial Government in colonial currency, it is essential to note at the outset that on 13th † October, 1697, the General Assembly of Massachusetts Bay in New England legalised the customary rating of the piece of eight of 17 dwts. at 6*s.*, equivalent to a rating of 6*s.* 2*d.* for a coin of the full weight of 17⅓ dwts. Though this rating was less than the ratings legally in force in Jamaica and the Leeward Islands, yet, as the Board of Trade and Plantations was sadly ignorant of the currency systems in force in the several Plantations under its charge, great stress was laid upon this Act (which received the Royal Assent on 24th November, 1698) in the measures which were taken in 1703–4 by the Board, in order to harmonise the conflicting currencies of the several Plantations.

The irregularities of colonial currency were first made matter of complaint some two years after the passing of the above Act. Writing from Philadelphia to the Commissioners of Customs on 6th March, 1699-1700, Governor Colonel Robert Quary says:—"I am obliged also to inform y^r Hon^rs that the King is also very much abus'd in the paym^t of this duty (sc. on tobacco). For formerly the p^ce of § of 17 dwt. did pass in this Province but for 6*s.*, and then the Merch^t allow'd the King 25^li p. cent. over and above the current mony of the Country to make it Sterling mony, but since that time about 2 years agoe they have rais'd the p^ce of § of 17 dwt. to 7*s.* 8*d.*‡ w^ch makes it more than 55^li p. cent. worse than

* *See* the Order in Council of 27 October 1686, refusing to re-establish the New England Mint, but authorising Governor Sir Edmund Andros "by Proclamation to Regulate Pieces of 8 & other forrein Coine within the said Territory of New England, to such current value as he shall judge most requisite for his ma^ys Service, & the Trade of His Subjects there." This Order is quoted in extenso by Crosby (page 94) who also gives the text of the documents bearing on the proposed re-establishment of the Colonial Mint.

† Felt says the 19th. The date in the text is from the MS. minutes of the Board of Trade and Plantations for 3rd May 1703.

‡ Equivalent to about 7*s.* 10½*d.* for coins weighing 17⅓ dwts.

Sterling and yett the collectr have but 25li p. cent. allow'd now, so that you will find that the King must loose on all the mony receiv'd here 30li p. cent. wch is very considerable."

This warning did not reach the Board of Trade. Their attention was first drawn to the disorder prevailing in colonial currency by the following Memorial from "Proprietors and Inhabitants of the English Plantations in America," presented by Mr. John Fysack on 5th July, 1700 :—"The inhabitants of Bahamy Island Carolina and other neighbouring islands allsoe of Pennsilvania East and West Jersey New York and New England, the Soyl of which countries being not capable of raissing Tobacco and haveing noe other produce to make returns for the Comoditys of England except some Skins and ffurrs Whaleboan and whale-oyl which will soon grow less plentifull as the People increase, are forc[illegible] to keep sheep sow hemp and fflax and sett up the Linnen and woolen Manufactures to the prejudice of England and may be of very bad Consequence and besides the Merchants Trading thither paying att least thirty p Cent. for Bills of Exchaing and other returns. A remedy to soe great a calamity is humbly proposed as follows (viz.) :—There is now in these Plantations a great quantity of Spanish* money Plate and Bullion and would be much more if returns were answerable ; which money Plate and Buillion is of no use to the Inhabitants to make returns to England because of the uncertain value putt upon it there, and a peice of Eight in the Bahamy Islands being about five shillings the same in Carolina, in Maryland† and Virginia‡ four shillings and sixpence, in Pensilvania Seven shillings, in New York and New England six shillings and sixpence,§ but frequently rising and falling in value by the Contriv[illegible]ce of some designing men in those Countryes who engross it when att the lowest and soe make Merchandize of it and export it into fforeign parts where it is more value than in England. . . It is therefore thought worthy And is humbly tendered to the Rt Honble the Lords Comissioners of Trade and Plantations to consider whether it is not absolutely necessary for the Improveing Trade to the advantage of those Countrys and this nation to sett up a Mint ‖ in some of the Plantations for

* It was the Lyon, or "Dogg," dollars of Holland, which were the chief metallic currency of Maryland in 1701. An Act of December 1708, "for settling the rates of fforeigne silver coynes within this Province," speaks of the "Dogg" dollars as "the only generall coyne among Us." They were to pass at 4*s* 6*d*.

† This is corroborated by a MS. note in the margin of a Mint Record Book (1703), and by Governor Blakiston's letter to the Board of Trade of 25th May 1701. But Crosby, quoting Bacon, summarises an Act of 1686 in Maryland rating the piece of eight, with the écu and rix dollar, at 6*s*., and practically adopting the New England currency.

‡ Whereas Governor Blakiston expressly states that the Virginia rating was 5*s*., and that this drew coin from Maryland, where the rating was 4*s*. 6*d*. And in 1708 Oldmixon says the piece of eight of 16 dwt. (except of Peru) passed for 5*s*., like French écus.

§ In 1672 the rating was 6*s*. in New England and New York (see *supra*).

‖ This was always the Colonial panacea for the dearth of a circulatory medium. Nearly every important colony asked to be allowed to set up a Mint (*see, e.g.*, a Mint Report to the Treasury of 19th January 1691, speaking of "the great and repeated applications" of Jamaica and New England for local Mints).

the coyning all the said Spanish money, Plate and Bullion and baser Mettle into English Coyn of the same goodness and value from a Crownpeice to a ffarthing And that by Proclamation the value of Spanish money Plate and Bullion be adjusted to about six shillings threepence p. ounce in the Plantations which is a medium value and that noe Spanish money Plate or Bullion be exported out of the Plantations till first coyned into English Coyn sterling-money to fitt it for returnes to England only, This makeing returnes more certain and disappoynting the designing pverters of Trade Encourageing Merch[ts] and the oppressed Planters Encreaseing Navigation and Commerce bringing constant Supplys to the Mint in returns to the Plantations and from thence in returns to England and by such circulation continualy Landing more of the Spanish riches upon our Shoar."

Their rhetoric was in vain. No action was taken by the Board of Trade and Plantations on this Memorial, a proposal for a colonial Mint being viewed with disfavour after the New England experience. But when in 1702-3 the Assembly of Maryland, making no suggestion for a Mint, confined itself to representing to the Board that money was drained from Maryland by the action taken in other plantations, and notably in Pennsylvania, by raising the rating of the piece of eight, the Board promptly took the matter up and wrote to Mr. Penn for his observations on the allegation against his colony.

On 21st April 1703 he replied in a letter which, apart from the quaintness of its expressions and the interest attaching to the writer, is worthy of transcription in full, as a thoughtful statement of the views held by a shrewd man of business nearly two centuries ago on the subject of colonial currency :—

To the Right Hon[ble] the Lords Commiss[rs]
for Trade & Plantations.

Hon[ble] Friends,

As to the advance upon Coin in America, and the Inequality of it, I am of opinion it is an unhappiness to the Colonies, and that they deceive themselves in it; but having made Laws to estimate their money, I am not Lawyer enough to say it can be altered but by a Law. As I have declared there, so I do upon this Occasion, I wish all were at a par that an Ownce of Silver should be an Ownce of Silver in all the Dominions of the Crown. But this objection will be hard to answer (the rest are common to the rise and fall of money every where, and soe I wave them), that for want of returns to England all our Money will be sent in a little time thither. Now, thô this may be what England would like, yet is what the Plantations, the Northern especially, will take very ill, unless Murrys Bank were practicable and paper Credit, in the lieu of it; nor will going to Market with money instead of goods serve England at long run, any more than the Plantations, who for want of Coin to circulate Trade among themselves, must dwindle in Trade, and the more because not trading with the Spanish Dominions as formerly, there will not be that supply and recruit of Mony as formerly.

Weight seems the fairest way, thô troublesome, unless the Queen will allow us a Mint. Our Single and Double Bitts or Royals are like our old clipt thin sixpences; they want ¼ at least of the intrinsick vallue they goe at, a great abuse. In short, our money must be melted, markt or weighed. Your better understanding in these things will supply the want of mine. I shew my respect by this more than my skill, which will I hope finde your Charity if not your approbation.

I am, with due regard,
Your Respectfull faithfull friend,
Wm. Penn.

On 21st April 1703, this letter was considered, and the agents of the Colonies examined, by the Board of Trade. Wishing to reduce the ratings "in all places to a fitting equality," but feeling hampered by the Royal Assent to the New England Law of 1697 (which rated a piece of eight of 17 dwts. at 6 *s.*), the Board (one member of which was Mr. Matt. Prior) caused a letter to be written on 4th May 1703 to "Mr. Attorny General" asking "whether Her Majesty by Her Royal Prerogative may alter by Proclamation the Rates of forrein Coin in that Province (as well as in others), notwithstanding the said Act." The Attorney General (Edw. Northey) replied on 31st May that the Colonial Act, having been confirmed by the Crown, "had the force of an Act of Parliament made in England." In reply to a further letter of 1st June, the Attorney General advised on 2nd July 1703 that "her Majesty may by her Royal Proclamation make forreigne Coynes Currant Money at such Rates as She shall think fitt in any of her Plantations in America, as well under Proprietors as under her Majestyes imediate Government, so far as doth not contradict any Law confirmed by the Crown." After repeated consideration of the matter, the Board of Trade on 23rd November 1703 finally addressed a representation to the Queen in Council for establishing uniform rates of foreign coins throughout the Plantations. After consultation with the Royal Mint,* a Royal Proclamation was signed by the Queen on 18th June 1704, which was ordered in Council "to be transmitted by the first conveyance to y^e^ severall Governors of Her Ma^ty^s Colonys and Plantations in America to y^e^ end the same may be strictly observed and put in execution in those parts." This Proclamation (which will be found in extenso at page 414) fixed the maximum rating of a piece of eight at 6 *s.* (the Massachusetts rating of 1697), and directed that other current (*silver*) coins should be proportionately rated according to intrinsic content, *i.e.*, at not more than one-third above their sterling value at 5 *s.* 2 *d.* per oz. standard.†

* The sterling ratings of the several foreign coins, as laid down in the Proclamation, were determined, it is interesting to note, on assays by Sir Isaac Newton then Master of the Royal Mint.

† It is a curious coincidence that, in the 17th century, the currency of the French colony of Canada was similarly one-third above that of France, as shown in the chapter relating to Canada; 100 French livres were worth 133⅓ Canadian livres.

But, as Deputy-Governor John Evans wrote to the Board of Trade from Philadelphia on 13th February 1704 (old style), great difficulty was experienced in enforcing the Proclamation, "owing to no slacknesse in the Government, butt to the liberty that Trading men will alwayes take in their own bargains." In Massachusetts, Governor Dudley could not get the Proclamation enforced by the General Assembly; New York complained that New England and other colonies would not adopt "Proclamation Money"; while Pennsylvania waited for an example from New York "being of so much more note and more immediately having the happiness of being under her Ma^tie^s Directions than the Adjacent Colonies."

Coins continued to be received at the old, or even higher, rates notwithstanding the Royal Proclamation. Being consulted by the Board of Trade, the Attorney General on 19th October 1705 advised that an Act of Parliament would be required to make it definitely illegal to receive money at more than its declared value. Accordingly the Imperial Act, 6 Anne, c. 57, was passed (*see* page 414) enacting that after 1st May 1709 any person either paying or receiving the foreign silver coins in question above Proclamation rates "should suffer six months' imprisonment without Bail or Main-prize," forfeiting at the same time 10 *l.* in equal moieties to the Crown and the informer. "This Act," observes the author of the "Discourse" of 1740, "continues to be observed in none of our Colonies excepting in Barbados and Bermudas.* Virginia Currency was formerly and continues still, better than what the Act directs." It is interesting to trace the steps by which the colonies in the West Indies and on the mainland "drove a coach and six" through the Act of Parliament.

(i.) The West Indian Colonies took advantage of the fact that only silver coins were specified in the Statute, no mention being made of *gold* coins. Accordingly the islands proceeded to give independent ratings (by weight) to the gold coins of Spain, instead of continuing to treat them as mere multiples of the silver dollar or piece of eight. And in this they were assisted by the growth of their trade and the greater circulation of gold coins, Portuguese as well as Spanish. The result was that, by stages which will be found most clearly shown in connection with Barbados, the Bermudas, and the Leeward Islands, the West Indian Colonies passed from a silver to a gold standard of value.

(ii.) The case was different on the mainland; the North American Colonies sought refuge in paper issues which speedily drove out coin. It is outside the scope of these pages to discuss in detail this interesting subject; but the Board of Trade papers presented to Parliament in 1740 afford evidence of the profusion in which this worthless paper was circulated.† With regard to metallic money, the American Colonies continued in

* This is an error, as the Bermudas passed an Act expressly to *evade* the Imperial enactments.

† *See* also the comprehensive article "Banking in America," in Macleod's "Dictionary of Political Economy" (London, 1863), to which is appended a valuable bibliography.

the 18th, as in the 17th, century to give the preference to *silver*, and the inter-colonial current of bullion bore gold from the mainland to the islands and silver from the islands to the mainland in return.

(iii.) Alike in the Islands and on the mainland, the circulation of the "base Pistareen" in the early years of the 18th century (*see* page 395) afforded a convenient subordinate medium for internal circulation. Dollars (as Pieces of Eight began to be called after 1728, *see* page 392) became mere merchandise, and bore a varying premium for purposes of export, according to their gold price. In short, within a very few years after the passing of the Act of 6th Anne, the metallic currency of the West Indian Colonies rested on a gold basis, with what was practically a token silver coinage circulating internally.

As the rating of the nominal standard coin, the silver dollar, continued to advance (i) on the mainland because of the paper issues, and (ii) in the West Indies in the wake of the ratings of gold coins, complaints began to be received from merchants and others as to the losses inflicted upon them by their debtors in the Colonies. The "humble Petition and Representation of the Merchants of London, Bristol, and Liverpool," which was referred to the Board of Trade by Order in Council of 22nd January 1735, is careful to point out that by the Imperial Act "it is only Provided and Enacted at what Rates the *Silver* Coins shall be accounted, received, taken, or paid, within any of the said Colonys and Plantations: Whereas there are, in all the said Colonys and Plantations, foreign Coins of Gold of several Denominations accounted, etc. at Rates equally or more above the Rate or Value, in proportion as Gold bears to silver passing in this Kingdom, than Pieces of Eight or lesser Pieces of Silver are accounted, etc. by the said Act, and this equally attended with the same or greater Inconveniencys and Uncertaintys, both public or private, as the passing of Silver Coins, and is one Cause, according to the Plenty or Scarcity of Gold or Silver, in ny of the said Colonys and Plantations, at one time more than another, of raising or falling the Gold or Silver Coin, to the disordering of all Dealings in such Colonys and Plantations." *

In consequence of the agitation on the part of British merchants and colonial officials, Parliament, on 13th June 1739, presented addresses to the King, requesting information concerning paper currency, and enquiring "What rates all gold and silver coins were accounted, received, taken, or paid, and gold and silver were purchased at and sold for per ounce, in any of the British Colonies and Plantations in America in the years 1700, 1710, 1720, 1730," and at the date of the addresses. The Board of Trade wrote out to the Colonies, and presented to Parliament the replies received, on various dates beginning with 27th March 1740. These replies showed that, apart from paper issues on the mainland, gold had supplanted silver as the colonial standard.

* The petition goes on to point out the evils of the paper currencies arising in the Colonies on the mainland,—evils which were not appreciated as such by the local debtor.

On 25th April 1740 the House of Commons prayed that the Act of 6 Anne might be "punctually and *bonâ fide* observed, and put in execution, according to the true intent and meaning of the said Act." In accordance with this Address, the Board of Trade on 21st May 1740, sent a circular letter to the Colonies, requiring them to obey the Statute of 6 Anne, which dealt exclusively with *silver* coins. As regards the *gold* coins which formed the real difficulty, it was proposed to issue a further proclamation, and to this end the Mint was consulted. On 19th November 1740 the Mint replied, giving assays and weights of the foreign gold coins current in the Colonies,* and deducing from their sterling values "current values" (i) per piece, and (ii) per oz., "one-third above their true value or Mint prices given for them here." On 9th April 1741 the Attorney General was ordered to prepare a draft proclamation on the lines of the Mint Report, which was approved by the Treasury; but, owing to doubts as to the ratings of the Moidore and Johannes,† no action was taken.

It may be here mentioned that on 21st June 1728 Mr. William Wood‡ communicated to the Board of Trade a proposal to remedy the evils arising from "the issuing of paper money and the rating of the coin." His proposal was to strike a colonial coinage (to be stamped "America") repeating the several British coins, both of gold and of silver, but "one-fourth part less in value," *i.e.*, following the lines of the proclamation and Act of Queen Anne. These coins were to pass by tale and to be kept in the Colonies by various futile devices which Mr. Wood suggested. Nothing came of his interested proposal. Twenty years later, as Ruding records, proposals were made to ensure the integrity of the Empire by a common currency. For, "on the 14th of July 1748 Sir Alexander Cuming, Bart., presented a memorial to the Right Honourable Henry Pelham, Esq., &c., in which he proposed, that, in order to preserve the dependency of the British plantations in North America on Great Britain, the current species of Great Britain should be made the current lawful money of the said plantations, as the proper measure of property in all countries depending on the British Crown and nation; and that 200,000 *l.* sterling should be coined at the Tower for that purpose; which sum was to be made the foundation of a provincial bank for all the British plantations in America, in order to abolish the paper money in New England and Carolina, and to set aside the currency of clipped Spanish money in Jamaica and elsewhere. Cuming was an enthusiast, and his proposal was considered as visionary by the Administration." In less than a

* The coins were the Louis d'or, Louis de Malt, old French guinea, Merliton of 1725, French Pistole, Johannes of Portugal, Moidore, Spanish Pistoles and Double Doubloon, and the Barbary Ducat or Chequin.

† It was on this point that the matter was referred back on 10th November 1741 to the Treasury, where it would appear to have been shelved.

‡ This is the Wood who obtained the patent to coin "brass" halfpence and farthings for Ireland, and was so bitterly attacked by Dean Swift in the Drapier Letters. Between 1717 and 1733 he had (probably) issued, under patent, the well-known "Rosa Americana" coins (2 *d.*, 1 *d.*, and ½ *d.*). *see* Ruding, Vol. 2, page 72, and Atkins, page 260–3. These coins were as unpopular as the Irish tokens, and with equal lack of justice.

century, however, as will be seen subsequently, the idea was carried out by the Imperial Government.

A few words are necessary respecting the measures taken by the Imperial Government with a view to purging the currency of the mainland Colonies from paper issues. As an instance of the profusion with which this worthless "money" was circulated, it may be mentioned that in 1740 the exchange in North Carolina was "1,000 *l.* paper for 100 *l.* sterling."

In 1750, as remonstrances were in vain, the Act of 24 Geo. II. was passed "to regulate and restrain paper bills of credit in Her Majesty's Colonies or Plantations of Rhode Island and Providence Plantations, Connecticut, the Massachusetts Bay, and New Hampshire in America; and to prevent the same being legal tenders in payment of money." This Act recites that the Act 6 Anne c. 57, "hath been entirely frustrated in Her Majesty's said Colonies by their creating and issuing from time to time great quantities of paper Bills of Credit; . . . which Bills of Credit have, for many years past, been depreciating in their value, by means whereof all debts of late years have been paid and satisfied with a much less value than was contracted for." Consequently, the Act provided that, after 29th September 1751, no Colonial legislation was to pass, either renewing the old, or creating new, Bills of Credit (except for "the current service of the year," or "upon sudden and extraordinary emergencies of Government, in case of war or invasion"); existing paper was to be called in; and, after the above date, no paper currency "shall be a legal tender in payment of any private bargains, contracts, debts, dues, or demands whatsoever, within the said colonies or plantations, or any of them."

In 1764, pursuing the policy of 1750, the Imperial Parliament passed the Act 4 Geo. III. c. 34, declaring that, in *all* American Colonies, future Colonial enactments making paper issues a legal tender, should be null and void. But in 1773, in view of "the want of gold and silver currency in several of Her Majesty's Colonies in America," and, "as well for the publick advantage as in justice to those persons who may have demands upon the publick Treasuries in the said Colonies for services performed," Parliament passed the amending Act 13 Geo. III. c. 57 (*see* page 416), providing that after 1st September 1773 Colonial paper, voluntarily accepted by public creditors in satisfaction of their claims, might be made a legal tender *to* the Colonial treasurers in payment of taxes, &c.*

During the remainder of the 18th century, up to 1798, practically no action was taken by the Imperial Government as regards metallic colonial currency, except to strike copper coins for some of the Colonies which now form the United States of

* It may be of interest here to quote the ratings, as given by Robert Morrit on 15th January 1782, of the Spanish dollar in the several United States at the date of their Independence:

	s.	*d.*
Georgia	5	–
New York and Carolina	8	–
Virgina and the four Eastern States	6	–
South Carolina (paper)	32	6
All other States	7	6

America.* But meantime, as has been pointed out above, the early years of the 18th century witnessed the establishment in the West Indies of a gold standard by weight at a varying number of "pence currency" per grain. But a currency by tale necessarily continued for all retail transactions; and in these the Real, or "Bit," was the fixed point, passing for 7½d. currency in Jamaica and Barbados, and for 9 *d.* in the Leeward Islands, &c. The base alloy of the Real of New Plate, and of the 2-Real piece (or Pistareen), not only established them as the sole silver coins in general circulation, but also threatened the supremacy of gold. The "Dollar" sank to be a mere denomination, or common measure in which to express (i) gold and (ii) the Bit. The steps taken to adjust the relative values of these circulatory media, and at the same time to attract the silver dollar, were twofold. In the first place, except in Barbados, there was a general tendency to make the dollar a piece of more than ten bits,—most of the islands (headed by the Leewards) rating it at 11 bits. And, in the second place, a conventional weight of the Portuguese half-Johannes was fixed, whereby this popular coin passed for $8. When this had been done, other circumstances occurred which wrought confusion in the monetary system of the West Indian Colonies, and led to the circulation of gold by tale in the majority of the islands. For, whereas all Spanish and Portuguese gold had been of the uniform fineness of 22 carats in the first half of the 18th century, Spanish gold coins fell into disfavour in the second half of the century, owing not only to counterfeit doubloons, which had become current (*e.g.* in Jamaica in 1758), but also to the lowering of the standard of Spanish gold coinage to 21¾ carats fine in 1772, and again to 21 carats in 1786,—whereas the Portuguese standard of fineness remained (as did that of Great Britain) at 22 carats. With varying fineness, uniformity of rating of gold coins was at an end; and differential ratings of Spanish and Portuguese gold coins were necessitated. Even Jamaica, in spite of its geographical position, passed an Act in 1774 favouring Portuguese gold as against Spanish; and in the other islands the like result was attained by the simple process of clipping the "Joe." In the words of a memorandum of 1802 from Tortola: "The value of the half-Johannes used to be the same in all the islands, viz., 8 Spanish dollars. In Jamaica (*sic*) and in Barbados the weight

* The Record books of the Mint refer to a proposed coinage of 1754 for North Carolina (2 *d.* 1 *d.*, ½ *d.*), apparently not executed (*see* Crosby, page 143–4), of Virginia halfpence on 20th May 1773, and to the return between 1783 and 1789 of several hundredweights of halfpence from Maryland, Philadelphia, and New York. As will be seen from Crosby (page 173 and passim) counterfeit copper coins from Birmingham flooded the American Colonies, "the more valuable metals daily giving place to base British halfpence."

Massachusetts in 1703 had arranged to have a copper coinage from England, but the scheme appears to have fallen through in the end. Tokens were struck in the Colonies, *e.g.*, the Gloucester Token in Virginia 1714, and the Granby or Higley tokens in Connecticut in 1737–9.

Copper coins were also struck in 1794 for the Bermudas.

fixed was 9 dwts. 5 grs.; but in all the other islands the half-Johannes passed *without weighing* for $8, but the consequence was that the Jews and other people of similar description clipt and sweated the gold to such a degree that the half-Johannes was reduced even as low as 5 dwts. At the same time a villainous practice was introduced of importing base half-Johannes from Birmingham, Sheffield, and America.—the intrinsic value of which was not more than 3 to 3½ dollars. The consequence was the silver was carried out of the Colonies to America, and nothing was to be seen but this base clipped and sweated coin. To such a pitch had this evil got that it was difficult for the inhabitants to obtain change to procure necessaries for their families, and were often compelled to give a large premium for that purpose. . . . . In some islands an Act of the Legislature was passed; in others—where that was not the case—an association was entered into, which had a similar effect; in all they fixed a standard weight for themselves.* And to make the half-Joan current each island had a stamp for itself, and after a certain quantity was stamped, they would allow no more."

The importation of counterfeit coin into the West Indies, to which the writer of the memorandum refers, had not escaped the notice of the Imperial Government. On 21 June 1798 the Imperial Act, 38 Geo. III., cap. LXVII. (*see* page 417) was passed to prevent the exportation of counterfeit Johannes and dollars (as well as of base copper coins) to the Colonies. And on 26 May 1798 the Secretary of State addressed a circular letter to all the West Indian Colonies, directing the Governors "to publish proclamations recommending all persons to weigh the gold and silver coins current, and to state in such proclamation what weight the respective coins should be, making such allowance for reasonable wear as you with the advice of your Council shall think right." Martinique seized the opportunity to raise its ratings; Dominica followed suit; and the West Indies generally set about establishing retaliatory ratings† to prevent their coin from being drained from them. Consequently on 8th December 1798 the Duke of Portland issued a second circular pointing out that his previous letter against counterfeits had been misunderstood, and that "no alteration either in the nominal value of the coins or in the relative values of the metals ought at any time to be made in any of His Majesty's Colonies or Plantations without express authority from hence." But the mischief had already been done, and it was found impossible to reduce ratings already raised.

Except in Canada, where gold was undervalued, and where currency legislation in the 18th century was directed to the retention of gold coins in circulation, the over-valuation of gold,

* The memorandum goes on to state that the weights were 7 dwts. in the four original Leeward Islands, 7 dwts. 12 grs. in Grenada and St. Vincent, 8 dwts. in Tortola, and 9 dwts. 5 grs. in Barbados.

† This was the reason of the raising of the dollar from 11 to 12 "bits" in the Leeward Islands about 1798. Later, the Windward Islands raised the dollar to 13 bits.

and the consequent inability to retain silver coins in concurrent circulation, had led at the close of the 18th and beginning of the 19th century to the circulation of "cut money." Dollars and their parts were cut up and the fractions circulated at their nominal value. This gave rise to fraud, five quarters being commonly derived from cutting up a dollar; and Colonial Governments were constrained—particularly in the West Indies and on the West Coast of Africa—to stamp all "cut money" which was to remain legal tender. And some Colonial Governments resorted to the expedient of cutting a central disc out of the Spanish dollar in order to retain silver in circulation. This was the origin of (*e.g.*) the ring dollar of St. Vincent, and the "holey dollar" and "dump" of New South Wales. As in the United Kingdom, so in most of the Colonies the great need was for a subsidiary or token silver coinage; and the above measures were endeavours to secure this end.

With the large increase of the British Colonial Empire at the beginning of the 19th century, the problem of colonial currency, already complex enough in the West Indies, was further complicated by the acquisition (from the Dutch) of Colonies with a paper currency. The Imperial standard of metallic currency was still unsettled, and the Imperial Government was not in a position to grapple with the difficulties of other currencies than its own. Consequently, a perfunctory sanction was given to the coinage of depreciated dollars for Demerara and of depreciated rix-dollars for Ceylon; and copper coins were shipped, when Colonies asked for small change. But in 1816, when the principles of the metallic currency of the United Kingdom were finally settled on the present basis of gold monometallism, the Imperial Government began to turn its attention to the deficiencies of colonial currency, and circulars were sent out to the Colonies asking for particulars as to to their systems of currency. The replies, which testified to the evils under which the West Indian Colonies (with the exception of Jamaica) then laboured, were unanimous in favour of a silver dollar as the standard; but the subject appears to have been dropped.

In 1820, in response to a request from Mauritius, the Imperial Government struck the silver coins known (from their device) as "anchor money" for circulation in the Mauritius. The coins were originally $\frac{1}{4}$, $\frac{1}{8}$, and $\frac{1}{16}$ parts of the dollar, and were of equal fineness and proportionate weight.* It is strange, that, after the discussions leading up to the Imperial Act of 1816, and after four years' satisfactory experience of the new token shilling, the authorities did not decide upon a *token* coinage,

* The Mint records show that the following weights of silver were coined:—

Lbs.	oz.		
1,800	0	into	$\frac{1}{4}$ dollars.
1,080	0	"	$\frac{1}{8}$ "
728	4	"	$\frac{1}{16}$ "
3,608	4		

inferior in fineness to the Spanish dollar. Had this course been adopted, the coins might have been kept in the Colonies, and much inconvenience might have been temporarily prevented. The issue of anchor money was repeated in 1822, when similar coins (with the addition of a half-dollar for the Mauritius), were consigned to the Mauritius and the West Indies.* The experiment was not, however, made with a view to a final solution of the currency problem in the Colonies, nor was its success such as to warrant a repetition. A year or two later *copper* fractions of the dollar were also struck for Mauritius, the West Indies, Sierra Leone, &c.; but the coinage was melted down, before issue, at the end of 1825.

As regards the circulation of paper money in the Colonies, it has already been shown that in the 18th century the Imperial Government was strongly opposed to colonial measures whereby notes of colonial Governments were made a legal tender. It was this policy which dictated (i.) the disallowance of a Barbados Bill of 1706, (ii.) the passing of the Imperial Acts 1750—1773 (see *supra*) forbidding the issue, as legal tender, of (unsecured) notes by American Colonies, and (iii.) the prompt pressure which was brought to bear on France in 1766 to pay off "the drifts of worthless paper in which Canada floundered" at the date of its capture by British arms. During the great war this sound policy was abandoned, in practice, under stress of the financial difficulties in which the Imperial Government was plunged both at home and abroad. With a forced paper currency in circulation in England, it was not to be expected that austere principles of finance could either be preached or enforced in the Colonies. It is, however, creditable to the Imperial Government of the day that, with the exception of an issue in Canada in 1811 (which was punctually redeemed a year or two later), no *new* paper was put in circulation in the Colonies. On the other hand, whilst the Imperial Government resisted the temptations to create new issues, its financial exigencies rendered it powerless actively to reform existing evils, in the shape of the worthless paper inherited from the Dutch in the newly acquired Colonies of British Guiana, Ceylon, and the Cape. In these Colonies existing issues, so far from being called in, were largely increased under British rule, prior to 1825.

The foregoing remarks apply to Government notes. As regards issues by banks, the policy in vogue, alike in the Colonies and in the United Kingdom (with the privileged exception of the Bank of England), was the policy of *laissez faire*; practically, the banks established in the Colonies were allowed to control their

* The Mint records give the following details :—

I. For the Mauritius :			II. For the West Indies :		
Lbs. oz.		Dollars.	Lbs.		Dollars.
3,209 0	into	1	6,540	into	2
1,283 11	"	1/2	3,780	"	1/2
1,283 11	"	1/4	2,520	"	1/8
641 11	"	1/8			

The total weight of silver coined was 19,258 lbs. oz.

paper issues for themselves, subject only to unlimited liability. And, not only banks, but even private individuals were allowed to circulate their own notes, notably in British Guiana and the new Australian Colonies. In Tasmania, for example, private notes ranged as low as 6*d.*; and even in New South Wales in 1813 a Proclamation had to be issued to forbid the issue of promissory notes (which were not required before 1803 to be on printed forms) "for any sum of money under the sum of 2*s.* 6*d.*" There was little or no recognition prior to 1825 of the truth expressed in Lord Overstone's dictum that notes should be "the shadow of the gold."

III.—From 1825, Onwards.

In dealing with this third and last period of colonial currency it will be convenient to distinguish metallic from paper money, and so to break up the history of colonial currency since 1825 into two parts, dealing first with the coin of which notes are at best only representatives.

(a.) Coin.

In 1825 the Home Government made its great attempt to introduce British silver into circulation throughout the British Colonies.* The shilling was to circulate wherever the British drum was heard. The causes of this revolutionary change were two-fold, arising from circumstances affecting (i.) the Spanish, and (ii.) the British currency.

In the first place, the successful revolt of the Spanish Colonies in America had cut off by 1820 the supply of the universal Spanish dollar; while for some half a century there had been a dearth of the fractions of the dollar for subsidiary circulation in the Colonies. The Home Government was also alive to the prevalence of dishonest paper and of "cut" and "plugged"† money, which was the curse of colonial currency in the West Indies.

In the second place, the Act of 1816, establishing gold as the sole standard of value in the United Kingdom, had placed the Home metallic currency on a sound basis, establishing a token silver coinage, which for the first time for centuries remained in circulation. And, further, the new Mint was now in full working order and able to satisfy even greater demands than those made upon its resources for purpose of internal circulation.

Consequently the disease seemed almost to suggest its own remedy. The new shilling was a success at home; why should it not prove as great a success in the Colonies, and form a

* In the next year, by Royal Ordinance of France, dated St. Cloud, 30 August 1826, the currency of the French Colonies was assimilated to that of France.

† When a (gold) coin which had been clipped was raised again to the standard weight, the additional gold, fixed on to the clipped coin, was called the "plug," and the "lumpish result was plugged gold coin." Needless to say, the plugs were frequently adulterated. The coin most commonly plugged was the "Joe."

(silver) link between them and the mother country? And, apart from the interests of the Colonies, the Home Government had interests of its own to consult. The large payments to troops and officials in the Colonies, amounting to several millions sterling a year, were made the heavier by continual shipments of specie, necessitated by conflicting and unsound systems of colonial currency. If British silver could be substituted once for all as the circulatory medium of the Colonies, it would not only save the expense of shipping specie, but also swell the Imperial gain by seignorage on subsidiary silver. On grounds, therefore, both of policy and of expediency, it seemed desirable to introduce British silver coins into circulation in the Colonies. The real justification of the measures of 1825 was one which was only vaguely felt at the time, and which required the subsequent experience of half a century to demonstrate and to define. That justification is to be found in the fact that the Spanish dollar, the universal coin of three centuries, had lost its supremacy, and that its universal dominion was in process of disintegration into rival "currency areas," chief among which was destined to be the area dominated by British sterling.

A beginning was made through the Commissariat, the Department by which the troops, &c. were paid abroad. As the pay of the troops was fixed in sterling, it was decided to pay them in sterling silver and copper coins, and so to introduce these coins into Colonies. In order to keep the money in circulation, an ingenious arrangement was devised. The bills which the Com missaries were in the habit of drawing upon the Treasury at 30 days' sight for raising funds, were to be issued (at 103 *l.* per 100 *l.* Bill) to any person tendering British silver. In this way it was hoped to ensure the general use of British tokens as a circulatory medium in the Colonies. These proposals, which so far had primary reference, not to the colonial public, but to the Imperial troops, &c., were embodied in the Treasury Minute of 11th February 1825 (quoted *in extenso* at page 417), the substance of which was communicated to the several Commissaries by circular letter of 12th February. In order to give legal currency to the British coins in the Colonies generally, an Order in Council was passed on 23rd March 1825 (*see* page 425), which proved as mischievous as it was intended to be beneficial. Its fundamental errors, derived from the Treasury Minute, were (i.) its rating of the Spanish dollar for concurrent circulation with British silver, and (ii.) its omission to rate foreign gold coins.

(i.) The Treasury Minute stated that "as the substitution of British silver and copper currency for the Spanish dollar, even in the payments from the military chest to the troops, can only be gradually effected; and as it may, in many cases, be still expedient to employ that coin as a medium of payment at a fixed rate as compared with British currency, my Lords are of opinion that it should (when necessary) be issued at the rate of 4 *s.* 4 *d.** the

*The figure was derived from Kelly's *Cambist*, which gave 370·9 grains as the fine content of the Spanish dollar. Consequently, at 5 *s.* 2 *d.* per ounce of standard silver (containing 444 grains fine), the equivalent of the Spanish dollar was taken as being 51·79 *d.*

dollar, being a fraction of a farthing only above its intrinsic value at the rate of 5 *s.* 2 *d.* per ounce of standard silver." But as this "Mint price," which dated back to 1601, and had reference to a bimetallic standard, was 2 *d.* per ounce higher than the gold-price of silver in the open market, the effect of its application to the Spanish dollar was to overrate that coin, as measured by the gold sovereign, to which the shilling was now subsidiary. Had this blunder been confined to the mere rate of issue of the Spanish dollar to the troops in lieu of sterling coins, the evil would not have amounted to more than an unintentional fraud on the troops, &c.; but, when the obsolete Mint price was made the basis for rating British silver for concurrent circulation with the dollar, the over-valuation of the latter coin by 3¼ per cent. was fatal to the Imperial scheme. By a familiar law, the over-rating of the dollar sufficed to drive out the shilling.

(ii.) As has been shown above, the indirect effect of the Proclamation and Act of 6 Anne had been to establish a gold standard in the West Indies. Here, as in Spain itself, the gold doubloon (with the Portuguese Johannes)* had practically supplanted the silver dollar. Consequently, if British silver was undervalued 3¼ per cent. as compared with the dollar, it was still further under-rated (by an additional 4½ to 5 per cent.), as compared with the colonial gold standard. In Colonies where the doubloon (worth 64 *s.* sterling) passed, as in Spain, for 16 silver dollars, the under-valuation of the shilling by about 8 per cent. rendered its circulation hopeless. In Gibraltar, for example, where the doubloon was supreme, the newly-arrived boxes of British silver were bought up at the price of one doubloon for 69 *s.* 4 *d.*, and immediately shipped back to England "unopened and with seals intact."

Beyond these two fundamental errors of method, there was the minor error of fixing one uniform rate of exchange for the issue of Treasury Bills in all Colonies alike. A premium of 3 per cent., though, perhaps, not too high (at the time) for the Australian Colonies, was excessive for places where the cost of shipment, &c., was less than 3 per cent. Even had the introduction of British tokens been thoroughly carried out, it is evident that no person would pay down 103 *l.* for a 100 *l.* bill on the London Treasury at 30 days' sight, when he could ship the coin home, or buy a private bill, at a less rate.

In spite of all its shortcomings, the principle of the Order in Council of 23rd March 1825 was brought into operation in the Colonies generally. The details will be found under the head of the several Colonies; the story of its failure is best told in the language of the remedial measures subsequently adopted.

In January 1827 the Treasury complained to the Commissariat Department, that "when British money is issued from the military

*Roughly speaking, Portuguese gold was unimportant as compared with Spanish gold, till the second half of the last century. About the beginning of this century the most important West Indian islands encouraged the circulation of the doubloon, leaving the cut Johannes to the Leeward Islands, &c.

chests to the paymasters or others, it is exchanged for dollars or other circulating medium, and the silver money is returned into the chest for bills on this Board, instead of being paid to the men, by which measure only it would get into circulation, and supersede the circulation of dollars and other foreign coins, for which it is, in Their Lordships' opinion, in all respects better adapted." This practice, which was very profitable to paymasters, was to be discontinued, and the troops were to be actually paid in British silver. And in September of the same year, the rate at which 100*l.* bills were to be sold in exchange for British silver was reduced from 103 *l.* to 101 *l.* 10*s.* In 1834 and 1835 Republican dollars and doubloons of the South American States were admitted to an equality with the Spanish dollar and doubloon ; and, also in 1834 and 1835, a proposal was nearly adopted to coin *token* fractions of a dollar (quarters, eighths, and sixteenths),* to replace the cut money of the West Indies, &c., and to provide the greater volume of small currency there required for the payment of wages to emancipated slaves. This proposal was abandoned when it was found that Jamaica and other islands had rated the shilling and sixpence as quarters and eighths of the dollar respectively ; and that it was in furtherance of the same scheme that Jamaica had obtained 10,000*l.* worth of 3*d.* and 1½*d.* pieces from England. A definite step in advance, however, was taken in 1835 by Treasury Minute of 19th June, whereunder the Army rate of the doubloon was reduced from 69*s.* 4*d.* to 66*s.* This reduction was made on the ground that the "doubloon is intrinsically equivalent to about $15\frac{5}{21}$ dollars (*i.e.*, at 4*s.* 4*d.* each), and, so far, marked a great advance towards a solution of the problem of rating Spanish coins for concurrent circulation with British coins. But, though the doubloon was placed on a just footing with regard to the dollar, there still remained the overrating of the silver dollar by 3½ per cent. with regard to sterling.

Much distress having been occasioned in the West Indies by the want of properly regulated silver currency, a Committee of the Privy Council was appointed in 1838 to hold an inquiry; and the root of the evil was shown by Mr. James Pennington to be the erroneous rating of the dollar, according to the "Mint price" of 5*s.* 2*d.* per ounce standard, instead of according to market price (then 5*s.*). The representatives of the West Indian Colonies, and notably Mr. McQueen, on behalf of Jamaica, advocated the retention of the silver dollar as "the proper circulating medium and standard of value to be continued in the British West India Colonies," with shillings, &c., in subsidiary circulation up to a limit of 5 dollars. But the Government was not prepared to go further than to correct the errors of 1825. As the bullion values of a Mexican dollar and

* The fineness was to be 833·3 *per mille*, and the weights were to be proportionate to the dollar, *i.e.*, 104 grains for the quarter, 52 for the eighth, and 26 for the sixteenth. They were to be stamped "West Indies," and not to be legal tender beyond 10 dollars in one payment. An amount representing 300,000 dollars was to be coined in the first instance.

of a doubloon were found to be nearly 4*s.* 2*d.* and 64*s.* respectively, those values were adopted as the ratings of these two coins for concurrent circulation with sterling. It was decided to do no more than give a fair field to the dollar, the doubloon, and the shilling in the West Indies, and by correct adjustment of the three principal coins in circulation, to enable "currency" systems to be abolished without interfering with existing contracts.

Accordingly, (i.) by Order in Council of 7th September 1838 (*see* 428 page) the Order in Council of 23rd March 1825 was revoked, so far as respected the Colonies *in America and the West Indies;* and (ii.), by Order in Council, and Proclamation of 14th September 1838 (*see* page 429), it was ordained that, throughout the West India Colonies, including British Guiana,* the doubloon and dollar should circulate and be received in payment, equally with sterling, as being respectively of the full value of 64*s.* and 4*s.* 2*d.* Instructions were sent at the same date to the Governors of the several Colonies in the West Indies directing them to declare by local proclamation the "currency" values of the doubloon, the dollar, and the shilling, according to the relative values assigned to these coins in the Royal Proclamation. The doubloon, being the real standard in the West Indies, was to be taken as the basis of the currency ratings, with a consequent levelling up of the values of the dollar and shilling. The new "currency ratings" were in most cases inconvenient for the purposes of ordinary life. The Bahamas and Jamaica at once proceeded to dispense with "currency" and adopt sterling denominations. And in this connection it is to be observed that, the reign of the Spanish dollar being over, most of the West Indian Colonies had come to form part of the rapidly widening "currency area" of Great Britain. Hence, even though in many cases the formal adoption of sterling denominations was postponed (by Montserrat till 1864), sterling coins steadily worked their way into general circulation in the West Indies. The success of the legislation of 1838 in the West Indies led in 1843–4 to its application to Colonies elsewhere,—to the Mauritius, the West Coast of Africa, St. Helena, Malta, Gibraltar, and Hong Kong. In the two first cases French and East Indian coins were also admitted to tender; in Malta the doubloon was not allowed to compete with sterling; and in Gibraltar (where only the *Spanish* doubloon passed current, and where the silver dollar was in practice mere bullion) the rating of the dollar (as a denomination) at 4*s.* 2*d.* was allowed to be established side by side with the rating of the Spanish doubloon at 16 dollars, or 66*s.* 8*d.*, instead of 64*s.*

The great discoveries of gold in Australia in 1851,† following as they did on those of California, profoundly affected the

* The new legislation, it will be observed, was not extended to the Colonies in North America. Apart from other considerations, the year was unpropitious, as being that of the Canadian Rebellion.

† According to Coghlan's Seven Colonies of Australasia, "from the date of the first discovery of payable gold, in 1851, to the end of the year 1890, the quantity of gold produced in the Australasian Colonies represents a total

currency of the British Colonies in common with the rest of the civilised world. A primary effect was to drive out the now appreciated silver dollar from circulation in places like the West Indies,* where nothing but the hitherto steady gold-price of silver had retained these coins in circulation, side by side with the gold sovereign and its token representatives. Thus the second half of the century saw the banishment of the old silver dollar to the East. But the most notable effect of the Australian gold discoveries was the local demand for the establishment in Australia of branches of the Royal Mint, the first of which was opened at Sydney on 14 May 1855, whilst the second, at Melbourne, dates only from 12 June 1872. The coins issued from the Sydney Mint during the first years of its working were a legal tender only in Australasia and the Eastern Colonies of Ceylon, Mauritius, and Hong Kong.† But, as local feeling was strong against the restricted currency of the Australian sovereign, and, as a Select Committee of the House of Commons in 1862‡ recommended the admission of the colonial coin to equality with the London sovereign, the Imperial Act 26 & 27 Vict. c. 74 (*see* page 442) was passed in 1863, giving power to Her Majesty (i.) to declare gold coins struck at the Sydney Branch Mint a legal tender in the United Kingdom, and (ii.) "to impose on the coinage of gold at the said Branch Mint at Sydney a charge sufficient to defray the expenses of coinage, over and above the expenses of assay and refining; and it shall be incumbent on the said Deputy

value of 341,906,358 *l.*, extracted in the short space of 40 years. The share of each Colony in the production of this wealth is given hereunder :—

Production of Gold in Australasia to end of 1890.

Colony.	Value.	Proportion raised in each Colony.
	£.	Per Cent.
New South Wales	38,075,172	11·14
Victoria	227,357,436	66·50
Queensland	26,034,662	7·61
South Australia	1,169,768	0·34
Western Australia	605,535	0·18
Tasmania	2,238,150	0·65
New Zealand	46,425,629	13·58
Australasia	341,906,358	100·00

In his "Wealth and Progress of New South Wales" (Sydney, 1891), the same writer shows, for the period 1851-1890, a net export of 303,335,700 *l.* in respect of gold, bullion, and specie for the whole of Australasia, two-thirds of this amount being contributed by Victoria alone.

* In the Bahamas this resulted in the introduction of the gold dollar of the United States, and in the consequent passing of the Orders in Council, &c. of 19 August 1853 and 9 March 1854 (*see* page 435), formally rating the Eagle at 41 *s.* and the gold dollar at 4 *s.* 1 *d.* for the whole of the West Indies.

† The gold discoveries had furnished the Imperial Government with a favourable opportunity for introducing in 1852 the principle of a 40 *s.* limit of tender for silver in Australasia. And as it was then generally believed that India and the East generally would pass to a gold standard, the 40 *s.* limit was also applied to Ceylon, Mauritius, and Hong Kong (*see* Order in Council and Royal Proclamation of 16 October 1852, quoted at page 435).

‡ Parliamentary Paper, No. 421, of 1862.

Master to coin gold at the charge so imposed." Under this Act was issued the Royal Proclamation of 3 February 1866 (*see* page 443), (i.) declaring Sydney gold "a legal tender for payments within the United Kingdom of Great Britain and Ireland," and (ii.) imposing a charge of 3 *d.* per ounce. As the Act of 1863 related to Sydney coins only, and, with regard to these, provided for their currency in the United Kingdom only; and as, moreover, the question of establishing other colonial mints had again been brought under Imperial consideration, the Colonial Branch Mint Act, 1866 (*see* p. 444) was passed, enabling to Her Majesty to proclaim the gold coins of any Branch Mint a legal tender both in the United Kingdom and in the Colonies, and to impose a charge for coinage. On 10 November 1866, a Royal Proclamation (*see* p. 445) was issued under the provisions of the above Act, making the Sydney coins legal tender in the Colonies specified in the Schedule to the Proclamation, so that the coins of this Branch Mint were now placed practically on a footing of equality with those struck at the Royal Mint in London.* When it was finally decided to establish a new Branch Mint at Melbourne, currency was given to the gold coins which might be struck there by the Royal Proclamation of 7 August 1869 (*see* p. 447), "within all parts of Our Dominions in which gold coins issued from Our Mint in London are at the date of the issue of this Our Proclamation a legal tender."† The Order in Council of 7 August 1869, relating to the establishment of the new branch Mint, whilst imposing no coinage charge at Melbourne, authorises the coinage of "gold and other coin in accordance with the standard of weight and fineness of the currency of this realm, and of the same design," subject to Treasury control. But no silver or bronze coins have been struck at Melbourne, or at Sydney, though the question of minting silver tokens at Melbourne has been raised recently by the Government of Victoria, as mentioned in the chapter relating to the latter Colony.

It will have been observed that from 1825 onwards, no doubt had been entertained by the Imperial authorities that, faulty as the legislation of 1825 might have been in important details, it was other than sound in its essential idea, viz., that sterling was the best system of currency for all British Colonies, irrespective of their geographical position and trade relations. It is true that certain foreign coins were allowed also to be legally current, such as the dollar and doubloon; but it was only by way of compromise that these non-sterling coins were allowed to circulate concurrently with sterling. And, as has been pointed out, the Imperial Government had shown its anxiety to perfect the intro-

* It was not until 1868, however, that, by Proclamation of 14 May of that year, Sydney gold was made a legal tender in Canada and Newfoundland.

† Evidence is not forthcoming to show that the Royal Proclamation was published in any Colony except Victoria; nor does the point seem material seeing that the Act gives statutory effect to the Proclamation *upon its issue*. It will, however, be observed that the Imperial Act is precise in referring solely to "gold coins issued from Our Mint in London." Consequently Melbourne gold was not made a legal tender in Colonies where only Sydney, and not London, gold was a legal tender in 1869.

duction of sterling currency by imposing in 1852 a 40 *s.* limit on the tender of British silver, not only in Australia but also in such silver-using countries as Ceylon, Mauritius, and Hong Kong. This doctrine of the universal applicability of sterling was abandoned, though with reluctance, when it was demonstrated (in each case by Sir Hercules Robinson) that a gold standard was impracticable, and mischievous, in Colonies such as Hong Kong, the Straits Settlements, and Ceylon, where trade relations made a silver standard imperatively necessary. It was thus the East which taught the lesson of "currency areas" in colonial currency. Once recognised, the new doctrine was warmly espoused, a mint being established in 1864 at Hong Kong to coin, instead of gold sovereigns, silver dollars of the Mexican type. In 1876, Mauritius was recognised as falling, like Ceylon, within the currency area of India, and the silver rupee was accordingly established as the standard coin for the Island. And in 1887 the currency of British Honduras was reformed by adopting as the standard the silver dollar of Guatemala, on the ground that it was by the neighbouring Republics that the currency of this British Colony was necessarily dominated. And while the doctrine of "currency areas" was recognised and applied by the Imperial Government in the case of these lesser Colonies, the self-governing Dominion of Canada had in 1871 recognised the same doctrine for itself by assimilating its currency (so far as the gold standard was concerned) to that of the neighbouring United States,—a step which has also been taken, in practice though not in law, by the Bahamas. Alone among British Colonies, Newfoundland has maintained its (formal) independence in currency. Refusing to be drawn into the currency area either of Great Britain or of the United States, the senior Colony has the unique distinction of possessing a *gold* coin of its own (the two-dollar piece), which perpetuates the gold-price in 1838 of the old Spanish silver dollar.

The following is a list of the several Colonies, classified from the point of view of metallic currency :—

I. STERLING STANDARD.

(*a*) With 40 *s.* limit for silver :
- Australasia.*
- The Cape, &c.
- Natal.
- Fiji.
- St. Helena.

(*b*) With a 5 *l.* limit :
- Malta.

(*c*) With no limit :
- West Indian Islands.
- British Guiana.
- West African Colonies.
- Falkland Islands.

* In practice, though not by law, in every Colony.

II. Non-Sterling Standards.

Gold.
- (*a*) U. S. gold dollar: Dominion of Canada.
- (*b*) Newfoundland gold dollar: Newfoundland.
- (*c*) Spanish (= Latin Union) "bimetallic" standard: Gibraltar.

Silver.
- (*d*) Mexican dollar: Hong Kong. Straits Settlements.
- (*e*) Rupee: British India. Ceylon. Mauritius.
- (*f*) Guatemalan dollar: British Honduras.

In concluding this portion of the general survey it is necessary to advert to the abuse of tokens in some sterling-using Colonies.

In the West Indies and elsewhere* the absence of a 40*s.* limit on the legal tender of silver vitiates the local system of currency by maintaining a metallic circulation of mere tokens without a local bulwark of standard gold coins.

It is true that twenty silver shillings cannot be obtained from the Royal Mint except in exchange for a gold sovereign, and that, since the Imperial system of issuing silver coins is calculated automatically to meet general requirements (at home) without danger of over-issue, these silver tokens maintain their nominal value in gold. But it is to be observed that the Imperial Government has never recognised any title on the part of holders of silver (or bronze) coins to have such token coins re-exchanged for gold. And, the practical consequence to a small Colony of a currency reduced to tokens only, is

> (*a*) to encourage the convenient, but dangerous, system of paper currency (more or less unsecured) in respect of the larger amounts represented by the displaced gold coins; and,
>
> (*b*) to hand over the control of the exchanges to Banks, which are thus enabled to profit by the shortcomings of the local currency system.†

These results, it may be added, are directly encouraged by the liberality of the Imperial Government in paying freight, &c. on British tokens supplied to Colonies (*see* page 456).

* In the West African Colonies, where there is no paper currency and where there are no banks of issue, gold is found in concurrent circulation with silver tokens, in spite of the absence of a 40*s.* limit, and in spite of the native preference for silver.

† This was the reason which led, at the instance of the local merchants, and in opposition to the wishes of the banks, to the recognition by law of the sovereign in Newfoundland in 1856.

There is also the possible danger to the Imperial Government of having to face re-shipments of the vast sums in token silver which, though now circulated or hoarded on the West Coast of Africa and throughout the West Indies, may hereafter be returned into home circulation to the derangement of the sterling monetary system. It must not be forgotten that the framers of the Imperial regulations of 1816 for issuing tokens did not contemplate the use of British tokens outside the United Kingdom.

Passing from the above general considerations to the particular case of the West India Islands, it should be remembered that, prior to 1825, gold had been their monetary standard for over a century; and that nearly all the important Islands objected strongly in 1838, when sterling was finally introduced, to the absence of a limit of legal tender on British silver, as robbing them of their gold standard. Though, in the second half of this century, local opinion has been adverse to a 40 *s.* limit (largely, it would appear, under the mistaken impression that such a limit would clash with the need for relative abundance of silver wherewith to pay the negroes), yet it may be hoped, on the precedent of the spontaneous action recently taken by St. Lucia, that united action will eventually be taken by the West India Islands along this obvious line of currency reform. In the first instance, perhaps, it might suffice to begin with a 5 *l.* limit, as in Malta.

(b.) Notes.

Prior to the passing of Sir Robert Peel's Bank Acts of 1844–5, the accepted theory of banking in England presumed the issue of Notes,—subject, in the London district, to the monopoly of the Bank of England,—for, deposits (now the mainstay of Banks) were until recent years of quite secondary importance in comparison with the power of Note issue, which furnished the chief inducement to establish Banks, and the chief source of banking profits. And nowhere was this accepted doctrine of "free banking" less likely to be challenged than in the Colonies in the earlier years of the present century, when, after the close of the great war, the era of peaceful progress began and credit was demanded for the development of their resources. It was in connection with the grant of Royal Charters, or the allowance of colonial Acts of Incorporation, for the Banks which now began to spring up in the Colonies, that the Imperial Government, influenced by the discussions consequent on the resumption of specie payments in England, gradually evolved a banking policy* which, by 1838, had the following definite aims, so far as Notes were concerned:—

(i) To require Notes to be cashed on demand in specie at the place of issue, as well as at the principal establishment of the issuing Bank;

(ii) To prevent the issue of Notes under 1 *l.* currency;

* This policy was first formulated about 1831 by Lord Althorp, then Chancellor of the Exchequer, and by Mr. Paulett Thomson (afterwards Lord Sydenham), who was then at the Board of Trade.

(iii) To insist on publication of periodical returns of assets and liabilities, as an indication to the public of the financial position of Banks of issue; and

(iv) To safeguard issues by making shareholders liable for twice the amount of their shares.

Applying these principles to colonial Acts for incorporating Banks, the Treasury was constrained in 1836–8 to press for the disallowance of numerous measures, which failed to attain even this modest standard. And it was "in order to prevent misconception of the views entertained by the Treasury and Board of Trade in regard to the regulations which should be observed in the establishment of Banks in the Colonies," that on 7th January 1839, the Colonial Office asked the Treasury "to draw up, in concert with the Board of Trade, an abstract of such regulations as they may think indispensable, in order that they may be transmitted to the Colonial Possessions of the Crown for the information and guidance of the Governors and Legislative Bodies in those Colonies." Accordingly, the Treasury proceeded to codify the regulations "which they have generally considered advisable;" and in these the Board of Trade concurred,—suggesting, however, (*inter alia*) "some check on the establishment of Companies merely for the purpose of trafficking in shares, or what are usually called Bubble Companies." The regulations thus settled by the two Departments will be found at page 429,* Articles 16 and 17 being those which were added at the Treasury in order to meet the wishes of the Board of Trade. From the point of view of Note issue, with which alone we are here concerned, these Regulations, which carry out the four requirements specified above, are noteworthy for the absence in them of any provision distinguishing Promissory Notes from other "debts and engagements of the Company," within the maximum limit imposed by Article 4. Notes were in fact left on the same footing as all other liabilities, and it was for the noteholder to satisfy himself of the likelihood of payment of Notes, the issue of which was limited by no clear or precise provisions. On the other hand, the Imperial Government never countenanced any proposal to make Bank Notes a legal tender.

In 1844–5 Sir Robert Peel passed the series of Acts which have governed from then till now the issue of Notes in the United Kingdom. For present purposes, the great principles of his legislation may be stated as—

(i) The withdrawal of issuing powers from the category of ordinary banking business; and

(ii) The provision of (*a*) security and (*b*) convertibility by the ultimate concentration (for England and Wales) of the entire Issue in the Bank of England on a basis which was fiduciary within the minimum issue, and fully covered by deposit of specie beyond such minimum.

But, as a temporary measure, Sir Robert Peel allowed existing

* They were communicated to the several Colonies by Lord John Russell's circular letter of 4th May 1840.

provincial Issues to continue, subject to their never exceeding the amount at which they stood at the time when his Acts were passed.

The Imperial measures of 1844–5 had an important bearing on the regulation of Note-issue in the Colonies. In the words of the Colonial Office circular of 30th May 1846 (*see* page 431) "the arrangements adopted by Parliament in regard to Banks of Issue in the United Kingdom appear to Her Majesty's Government to have rendered necessary some modification of the Regulations of 1840, with a view to bring them into exact accordance with the principles on these subjects established in this country." The old Regulations were accordingly "revised with that object;" and assumed in 1846 the form in which (with an addition respecting specie reserve, mentioned below) they appear at the present day in the "Colonial Office List."

Apart from improved provisions relating to banking proper, the Regulations of 1846 (which will be found at page 432) introduced into colonial banking legislation the following important provisions, framed mainly on the lines of the Imperial provisions relating to English provincial Notes:—

(i) By Clause 5 the power of Issue was distinguished from "the business of a Banker."

(ii) Under the same Clause, the power of Issue was to be exercised "in such manner only as shall not be at variance with any general law of the Colony."

(iii) By Clause 16, the maximum Issue was "not at any time to exceed the amount of the Capital Stock of the Company actually paid-up."

The Regulations of 1846 subsequently received an important addition at the end of Clause 16 in the words: "A reserve of specie always to be maintained equal to one-third of the amount of Notes at any time in circulation." This provision, however, is wholly inadequate to safeguard the Notes (as distinct from deposits and other liabilities), in that it does not earmark the reserve of specie to the Notes alone. In the event of failure, such reserve would merely form part of the general estate of the Bank, and would not be hypothecated to meet the claims of note-holders in preference to other creditors.

It will be convenient here to summarise the Issue provisions contained in the Banking Regulations in the form in which they appear in the "Colonial Office List:" (i) Notes, which are redeemable in specie on demand, and must not be of a less denomination than 1 *l.*, are limited to a maximum issue not exceeding paid-up capital; and (ii) they derive such formal security as they possess (*a*) from the specie-reserve of one-third of the circulation, and (*b*) from the general liability of the share-holders not only for the amount of their holding in shares, but also for a like additional sum.

These provisions have been applied (until quite recent years), to practically every Bank to which a Royal Charter has been granted, or for which an Act of Incorporation has been passed in the Colonies. Thus the influence of the Regulations of

1840–46 has ranged from Canada and the West Indies to Australasia and the Eastern Colonies; and, even if all their provisions are scarcely abreast of current theory, yet it may be urged on their behalf that they have withstood the rigorous tests of practical experience throughout half a century and in every quarter of the globe.

So far, the consideration of Notes as part of the currency of Colonies has had exclusive reference to Bank paper. Though the Imperial Government had never favoured the issue of Notes by Colonial Governments, yet financial exigencies had led to the circulation of Government paper in several Colonies, *e.g.*, in Jamaica (1822) and in Prince Edward Island (1825). But, in these Colonies, as also in the Cape, Ceylon, and British Guiana (where paper money had been an inheritance from the Dutch), the efforts of the Imperial Government were directed to effecting the withdrawal of the Government Issue.

The hands of the Imperial Government were forced, though their policy remained unchanged, by Mauritius in 1849. For in that year, as the result of a Bank failure in 1847, and the consequent suspicion of all Bank Notes in the Island, the Colonial Government was finally induced by the mercantile community to substitute Government Notes for private issues. To this, as a *fait accompli*, the Imperial Government could offer no resistance at the time. But the views held in the middle of the century as to the limits in theory, and impolicy in practice, of state interference, found scope in the rejection in 1854 of proposals for a (secured) Government Issue in Prince Edward Island, and derived moral support a year or two later from the abandonment by the Legislature of New Zealand of the system of a Government Note circulation, which had been in force for several years, under circumstances which required no compromise with any established Bank of Issue and gave the experiment free play.* Fortified in *a priori* principles by the experience of New Zealand, the Imperial Government desired in 1857–8 to restore the Mauritius Issue to private hands. Local circumstances, however, militated against this step; and, in lieu, measures were taken in 1864 to put the Government Issue on a secure footing. It was then provided that Currency Commissioners should hold against the Issue :—

> (i) Specie equal to one-third as a minimum, and one-half as a standard, of the circulation for the time being, and
>
> (ii) Imperial securities and Island Debentures to a maximum of one-half of the circulation, the limit on investment in Island Debentures being fixed at one-fourth of the amount of Notes actually in circulation in 1864.

Similar provisions were re-enacted in 1876, and still remain in force in Mauritius.

Until 1884, Mauritius afforded the only example of a State

* On 1 October 1852 a Select Committee of the Legislative Council of New South Wales had reported in favour of a National Bank of Issue, with its Notes fully secured by gold bullion or coin. The Committee held that the existing Banks' "power of issuing Notes is inconsistent with the public welfare."

Issue in Crown Colonies; and private issues were still traditionally preferred by the Imperial Government. In 1884, however, a startling experience in Ceylon commanded a review of the traditional policy. For, on 3rd May 1884, the Oriental Banking Corporation, which had a note-circulation in Ceylon of *Rs.* 3,200,000, closed its doors; a state of panic ensued; trade came to a stand still; and on 5th May, under pressure from the Banks and the Chamber of Commerce, the Governor assumed the responsibility of guaranteeing on behalf of the Ceylon Government the Notes of the bankrupt Corporation.* It was at once recognised that this decision admitted the principle of ultimate State liability for private Issues, and that, after the Ceylon precedent, the argument for such issues had become untenable. It was, therefore, without hesitation that sanction was given to a proposal for establishing in Ceylon a Government Issue modelled on that existing in Mauritius.

The subsequent history of Notes in the Crown Colonies is simple, but important, as indicating the adoption of a more stringent policy than was in vogue prior to 1884, in favour of safe-guarding the issue of paper; *e.g.* in the Bahamas the local Act establishing the Bank of Nassau provides that, before issue, all Notes of the Bank should be secured by the deposit in the hands of trustees of approved securities, or specie, to the full amount of the circulation.

In the self-governing Colonies also steps have been taken in several instances, to exact a larger measure of security for local Issues than was provided by the Banking Regulations of 1846. The policy adopted has varied in different Colonies. In New South Wales and Tasmania the issue of notes has been subjected to unlimited liability; whereas Victoria was content in 1887 to make Bank Notes a first charge on the assets of the issuing Bank, in case of failure.† Canada, whilst making Bank Notes a first charge on assets, as in Victoria, goes further by instituting a "Bank Circulation Redemption Fund," which makes the Banks guarantee one another's Notes. The Cape, following the precedent of the United States in connection with National Bank Notes, took a different course in 1891, by stopping all existing Issues and requiring banks to deposit (Cape) Government securities with the Colonial Government to the full nominal amount of the Issue, prior to the circulation of the Notes, which are further declared a legal tender in the Colony. Lastly, the Dominion of Canada, alone among self-governing Colonies, has a State Issue (dating back to 1866), which may be fiduciary to the large proportion of 85 per cent. and is legal tender in the Dominion.

In conclusion, it may be well to state the essentials of a sound Issue. Every Note should be (*a*) secured and (*b*) convertible; that is to say, a noteholder should know that the note he holds

* In the Straits, on the other hand, where the Colonial Government abstained from following the Ceylon precedent, the other Banks in self-defence took on themselves the onus of cashing the Oriental Bank's notes in local circulation.

† An interesting paper on "The History and Development of Banking in Australasia," by Mr. Edwin Brett, will be found in the "Journal of the Institute of Bankers," vol. 4 (1883).

will exchange, not ultimately, but on presentation, for that amount of legal tender coin which is indicated by the Note's denomination.

In order to ensure the convertibility of an Issue, it is not necessary that every 1 *l.* in Notes should have a gold sovereign behind it; for experience shows that the circulation in note-using communities never drops below a definite minimum. This minimum, representing an amount of Notes which is never likely to be presented for payment, may therefore be represented by securities, *i.e.*, may be "fiduciary;" all Notes beyond such minimum should be issued against legal tender coin. Until experience has shown what is the minimum Issue in a given Colony, investments (which should be in high-class securities other than those of the Colony itself) should not exceed one-third of the Notes in circulation, nor should they ever exceed one-half. These stringent safeguards, which subordinate profits (beyond working expenses) to the financial security of the community, point to Government Issues as the only practically sound system of paper currency. And it may be added that there is no more reason—in fact there is less reason—why Banks should issue notes at a profit than strike token coins at a profit.* But, whether the Issue be by the Government or by the Banks, it is of vital importance to a community that the Notes in circulation should be so safeguarded as to form, in no unsubstantial sense, "the shadow of the gold."

* The following remarks are taken from the Report, in 1889, of a Royal Commission appointed in South Australia "to consider the desirability of establishing a State Bank," &c.:—"It may be that various objections will be raised to the issue of a State paper currency—as there will necessarily be a conflict of interests, and special privileges are usually held with a tight grasp. But we take the liberty to advance the assertion that the interests of the State are in all cases paramount, and that whatever increment of advantage there may result from a system supported and permitted by the people should be secured for their benefit."

CHAPTER II.

MODE OF LEGISLATION.

"THERE is no doubt," wrote Lord Liverpool to the King in 1805, "that the Sovereigns of most of the kingdoms and states of Europe have enjoyed and exercised from time immemorial the right of declaring at what rate or value the Coins of every denomination, permitted to be current in their respective dominions, shall pass, and become in that respect lawful Coins, or legal tender. In this Your Majesty's kingdom, Your Royal predecessors have always enjoyed and exercised this right. Sir Matthew Hale reckons this right *inter jura majestatis*, and says that it is an unquestionable prerogative of the Crown." And the same doctrine is laid down by the Civil Law maxim "*Monetandi jus principum ossibus inhæret.*" It remains to trace the changing modes in which this prerogative has been exercised or superseded, so far as the British Colonies are concerned.

Apart from Mint indentures,* the recognised mode of regulating the currency in the United Kingdom has been by Royal proclamation. But such proclamation has for centuries been issued —like other Royal proclamations—by the Sovereign with the advice of the Privy Council. In his speech of 2nd September 1626, before the Privy Council, Sir Robert Cotton was "of opinion with *Mirror des Justices*, the ancient book of our Common Law, that *Le Roy ne poit sa Mony Empeirer ne amender sans l'assent de touts ses Counts*, which was the greatest council of the kingdom." It is true that from very early times Acts of Parliament have also regulated the coinage of the realm; and notably the Act of 1666 (18 Ch. II. c. 5), which extinguished seignorage as a royal right. But it appears that Parliament was resorted to either for the purpose of furnishing supplies for the reform of the king's currency, or else (in the words of Lord Liverpool) "to enforce his Majesty's authority in issuing proclamations." Of the latter character was the Act 6 Anne, c. 57 (*see* page 414), "for ascertaining the rates of foreign coins in Her Majesties plantations in America."

For present purposes, therefore, the recognised mode of regulating the currency may be taken to have been by Royal proclamation issued by the Sovereign in Council. This Royal prerogative, which was established before the first "Plantations"

* *See* hereon the discussion in the fourth chapter of Lord Liverpool's *Letter*, quoting the views of Blackstone and Hales. *See* also pp. 19 and 20 of the *First Report of the Deputy Master of the Mint.* As the sterling coins, the manufacture of which Mint Indentures regulated, were practically never seen in the British Colonies until after 1825, *i.e.*, nine years after the passing of the great Act of 1816, the function of Mint Indentures has not been discussed in the text.

were founded, necessarily extended to the new dominions over seas, subject to the surrender of it by the Sovereign (*e.g.*, to the Virginia and East India Companies), or to Colonial legislation. But, in this latter case, the legislation, though initiated by the Colonial Government, did not finally become law until it had been approved by the Sovereign in Council. This tacit surrender by the Sovereign of the function of initiation was, however, the salient feature in the early history of currency legislation in the Colonies.

Throughout the 17th century the Colonies invariably initiated their own laws to regulate local currency, the action of the Sovereign being confined to confirmation in Council. It was the fact that the Royal Assent had been given to the New England Currency Act of 1697 (*see* page 11), which first raised the general question of the principles governing currency legislation for the Colonies. On 4th May 1703, the Board of Trade and Plantations proceeded, in view of such Royal Assent, to consult the Law Officer of the day as to "whether Her Majesty by Her Royal Prerogative may alter by Proclamation the Rates of forrein coin in that Province (as well as in others), notwithstanding the said Act." The Attorney General replied that the New England Act, having been confirmed by the Crown, "had the force of an Act of Parliament made in England." And, on 2nd July 1703, the Attorney General advised further that "Her Majesty may by Her Royal proclamation make forreigne coynes currant money at such rates as She shall think fitt in any of Her Plantations in America, as well under proprietors as under Her Majestyes imediate Government, so far as doth not contradict any Law confirmed by the Crown." In view of this opinion, the Royal Proclamation of 18th June 1704 (*see* page 414) was issued, laying down for "Our several Colonies and Plantations in America," certain ratings of coin borrowed in the main from the New England Act of 1697.

As this Proclamation was not observed, debtors and creditors alike agreeing to pay and receive the current coins at other than the proclaimed rates, the Imperial Government again took the Law Officer's opinion; and the Attorney General advised that an Act of Parliament would be required to make it definitely criminal to receive money in the Colonies above proclamation rates. Accordingly the above-mentioned Act of 6 Anne was passed "for the better Inforcing the due Execution of Her Majesties said Proclamation . . & for the more effectual Remedying the said Inconveniencies thereby intended to be remedied." The Act proceeded to enact that any person who should "Take or Pay any of the several Species of Foreign Silver Coins mentioned in the before-recited Proclamation at any greater or higher Rate than that at which the same is thereby Regulated . . shall suffer Six Months Imprisonment, without Bail or Mainprize; Any Law, Custom or Usage in any of the said Colonies or Plantations to the contrary hereof in any wise notwithstanding." As early, therefore, as 1707 the principle had been established in practice that, provided the Sovereign had not confirmed a local Act repugnant thereto, the Sovereign in Council had power

under the prerogative to regulate by Proclamation the currency of Colonies equally with the currency of England. And an Act of the Imperial Parliament had been recognised as the supreme mode of currency regulation.

In 1774, and again in 1816, the Imperial currency was regulated by Act of Parliament, which involves the assent of the Sovereign. These Acts of Parliament had no reference to the Colonies. It was under the prerogative that the Order in Council of 23rd March 1825 was issued (*see* page 425), declaring that a sum of 4*s.* 4*d.* in British tokens should be legal tender equally with a Spanish dollar "in all those Colonies where the Spanish dollar is now, either by law, fact, or practice, considered as a legal tender for the discharge of debts." Though the Order in Council of 1825 did not order a Royal Proclamation, it was by Royal Proclamation under Order in Council (after the legislation of 1825 had been revoked—for America and the West Indies only—by Order in Council) that the remedial legislation of 1838 was effected. Alike in 1825 and in 1838, however, erroneous ideas prevailed as to the regulation of currency in the Colonies; it was not recognised (i) that the gold and silver coins of the United Kingdom as such, are not in the absence of some express enactment or Proclamation a legal tender in the Colonies, insomuch as the Imperial Statutes relating to currency do not, except by express enactment, extend to the Colonies; or (ii) that, under the prerogative, the Sovereign could only regulate Colonial currency in those Colonies where there did not exist a local Legislature to which the power of regulating currency had been surrendered by Act of Parliament or Royal Charter.

In 1870, by the Coinage Act of that year (*see* page 448), the Imperial Parliament made formal provision for the regulation of Colonial currency. Section II. (9) of this Act directs that "it shall be lawful for Her Majesty, with the advice of Her Privy Council, by proclamation to direct that the whole or any part of this Act shall apply to, and be in force, in any British possession, with or without any modifications contained in the proclamation." And the same section goes on to provide that "every such Proclamation . . shall have effect as if it were enacted in this Act." But Section 19 expressly enacts that "this Act, save as expressly provided by this Act, or by any Proclamation made thereunder, shall not extend to any British possession."

In practice it is mainly the Colonial Constitution which has determined the proper mode of legislation respecting the local currency. And from the point of view of constitution, Colonies may be divided into those that have, and those that have not, responsible government.

I. The Colonies of the former division possess the power to regulate, by Colonial Act, their own currency. They are ten in number, viz.:—

Dominion of Canada.
Newfoundland.
New South Wales.
Victoria.

Queensland.
Tasmania.
South Australia.
Western Australia.
New Zealand.
Cape of Good Hope.

II.—Colonies of the second division, which have not responsible government, may for the purpose of general legislation be divided into two classes.

The legislative power, as defined by the instrument of constitution (viz., Letters Patent, Colonial Ordinance, Order in Council, or the Governor's Commission), is exercised—

(i.) In the first class by the Governor and some legislative body or bodies in which there is not a majority of official members;

(ii.) In the second class of Colonies either by the Governor alone* or by the Governor and a legislative council, the majority of which consists of official members.

In the first class (i), the Imperial Government has no power of initiating local legislation; in the second class (ii), the Imperial Government can indirectly effect legislation by instructions to the Governor,† or through the official majority of the Council.

In both classes of Colonies the Imperial Government can either prevent legislation (by instructing the Governor to refuse the Royal Assent or by disallowing a law to which he has signified such assent), or can advise the Sovereign to exercise the coinage prerogative.

There is a further, direct, control over colonial currency in the hands of the Imperial Government in those Colonies (whether of class (i) or (ii), the names of which are *underlined in* the lists given below, since power is there reserved to the Sovereign to legislate by Order in Council. In addition, a *statutory* power to legislate by Order in Council is reserved to the Sovereign in the Straits Settlements (by the Act 29 & 30 Vict. cap. 115) and in the Colonies of the Gold Coast, Lagos, Sierra Leone, Gambia, and the Falkland Islands (by the Act 50 & 51 Vict. cap. 54; *see also* schedule thereto).

In the following lists of the Colonies comprised in the two classes,
the letter (*a*) denotes that local legislation as to currency has taken place;
the letter (*b*) denotes that the local currency has been regulated by Order in Council without Proclamation; and
the letter (*c*) denotes that Proclamations as to coinage have been issued under Order in Council.

* As in Gibraltar and St. Helena.

† The Royal Instructions to the Governor direct that he shall not assent to any Bill or Ordinance of certain classes, one of which is (to quote the usual form) "any Bill affecting the currency of the Colony or relating to the issue of Bank Notes."

(i) In the first class are—

Natal.
Jamaica (*a*) (*c*).
Bahamas (*a*) (*c*).
Barbados (*a*) (*c*).
*Leeward Islands (*a*) (*c*).
Malta (*c*).
Mauritius (*c*).
Bermuda (*a*).

(ii) The Colonies comprised in the second class are—

Basutoland.
British Bechuanaland.
British Honduras (*a*) (*c*).
British Guiana (*a*) (*c*).
Trinidad and Tobago (*a*) (*c*).
Windward Islands (*a*) (*c*).
Falkland Islands.
St. Helena (*c*)
Fiji.
West African Colonies (*a*) (*c*).
Gibraltar (*b*) (*c*).
Ceylon (*c*).
Hong-Kong (*a*) (*c*).
Straits Settlements (*a*) (*c*).
New Guinea.
Zululand.

For all Colonies alike (whether possessed of responsible government or not), there is the power to proceed by Proclamation under the Coinage Act, 1870; in which case the Proclamation has effect as if enacted in the Imperial Act. Up to the present, this Act has only been applied (*a*) as a whole to the Cape, Natal, and Fiji, and (*b*) in part only, in 1891, to Barbados and the Leeward Islands.

* In the Leeward Islands, the Leeward Islands Act, 1871 (34 & 35 Vict c. 107. s. 10), is the instrument of constitution, and while giving to the legislatures of the separate islands general power to legislate, gives the central legislature of the Leeward Islands power to legislate on certain specified subjects, among which is "currency."

Consequently, there are three modes of regulating the currency for the Colonies, viz. :—

(1.) Through Colonial Legislation.

(2.) Through Legislative Order in Council.*

(3.) Through a Coinage Proclamation (under Order in Council) which may be either—

(*a*) Under the prerogative and without Statutory authority, *or*

(*b*) Under the Statutory Authority of the Coinage Act, 1870.

And the Order in Council or Proclamation as to currency, unless it be under the Act of 1870 or have statutory force under some other Act, can be overruled by a Colonial Ordinance which is left to its operation. Whether, on the other hand, a Proclamation under the general Coinage Prerogative can alter a Colonial law is a moot point.

It is suggested that where the currency consists of sterling coins, the Imperial Coinage Act of 1870 (*see* page 448) should be applied in whole or part, so that Imperial Proclamations issued from time to time thereunder, might apply not only to the United Kingdom, but also to all sterling-using Colonies. The same instrument would then conveniently apply to sterling (where it is the standard) throughout the Empire; and there would be no recurrence of anomalies such as that at present existing in connection with pre-Victorian, and light Victorian, gold coins, which remain in circulation in the Colonies, though they have been demonetised and exchanged in the United Kingdom.

So far, this chapter has dealt solely with metallic currency, to the exclusion of paper money. The Royal Prerogative as to coinage does not appear to apply to Notes, a form of currency not contemplated in the early times from which the Prerogative dates. Apart from the formerly important, but now practically obsolete, usage of constituting Banks of Issue for the Colonies by Royal Charter, the paper currency has usually been regulated (i) in the United Kingdom by Statute and (ii) in the Colonies by local Act.† But where power to legislate by Order in Council is reserved by the instrument of constitution, this mode of procedure is also open to adoption in Crown Colonies. The intervention of the Imperial Parliament with regard to paper currency in the Colonies has been confined to the passing in 1750-1773 of Acts

* A distinction is to be drawn between (i.) an Act of legislation which the Sovereign in Council can perform in respect of those Colonies where a power so to legislate has been reserved by the instrument of constitution, and (ii.) an Act in exercise of the coinage prerogative, which the Sovereign in Council can *primâ facie* perform in respect of all Colonies by Royal Proclamation under Order.

† *e.g.*, Bahamas, Hong Kong, Ceylon, and Mauritius, in addition to, practicaly, all the self governing Colonies.

"to prevent paper bills of credit hereafter to be issued in any of His Majesty's Colonies or plantations from being declared to be a legal tender in payments of money, and to prevent the legal tender of such bills as are now subsisting from being prolonged beyond the periods limited for calling in and sinking the same."

AMERICA AND WEST INDIES.

CHAPTER III.

BARBADOS.

(1625.)

From the historical point of view, the currency of Barbados is of greater interest than that of any other existing colony. Its interest is derived not merely from the long period of nearly three centuries which it covers, but still more from the broad scope of its early influence. For, until 1671, when the Leeward Islands were constituted a separate government, Barbados was the metropolis of the British West Indies; prior to that separation, other islands (Jamaica excepted), had little or no separate currency history; it was only after the middle of the 18th century that the Windward Islands (so far as they were then British Possessions) came to have a currency system other than that of the dominant island; and, further, it was from Barbados that Jamaica borrowed the ratings of her early monetary system. For these reasons, though Newfoundland is a more ancient colony, and though Jamaica for a century and a-half was the bullion centre of the colonies in the New World, Barbados may most fittingly be chosen as the starting point in studying the detailed history of currency in the British colonies.

In Barbados, and in the other islands which followed the lead of Barbados, exchange was chiefly by barter during the 17th century; and it will be convenient to treat first of the use of commodities as "money," and then to pass to the history of metallic currency.

(I.) BARTER.*

During the first years of the history of Barbados as a British colony, cotton and tobacco, as in other colonies in the New World at the same date, formed the staple produce; and, as penalties are expressed in terms of these commodities from at least 1631 onwards, it may be assumed that they formed part, if not the whole, of the circulatory medium of the infant colony. About 1640, sugar supplanted cotton and tobacco as the staple commodity, and became the principal medium of exchange† in

* *See* also under Leeward Islands, British Honduras, Bermuda, Newfoundland, &c.

† *See* "*A True and exact History of the Island of Barbados*" by Richard Ligon (London, 1673). Describing (at p. iii) the traffic of a merchant, he says, "he makes his exchanges, and *receives in his Sugars*"; and at p. 115, wages are expressed in "sterling or the value in such goods as grow upon the plantation." Ligon says (p. 40), "the commodities this island trades in, are indico, cotton-wool, tobacco, sugar, and fustick-wood."

the colony during the remainder of the 17th century. Indeed, merchants reproached the islanders with having no money except brown sugar; and similarly Lord (Francis) Willoughby of Parham, writing in 1664, states that the circulating medium of the island consisted of "goods, for they have no money."*

The earliest rating appears to have been 10 *s.* per 100 lbs.; of Muscovado, or brown sugar. On 16th September 1667, Lord (William) Willoughby stated that the Assembly had "raised their coin, that is Muscovado, from 10 *s.* per 100 lbs., to pass in pay for 16 *s.*" By Act of 29th April 1668, Muscovado was to pass at 2 *d.* a pound (=16 *s.* 8 *d.* per 100 lbs.); but this price was repealed by Act of 19th February 1668–9, because "it is found by experience that the consequence thereof tends to the impairing of the credit and trade of this Island." An Act of 9th November 1688, as to fees, re-rates sugar at 12 *s.* 6 *d.* the 100 pounds; and the same valuation obtains under an Act of 1670, as to the secretary's fees, and under an Act of 1673, for building fortifications. It was doubtless as a penalty that the Acts of 1681 and 1685, "for comuteing the Arrears of Public Leavyes into Money," reduced the rate to 10 *s.* The similar Acts of 1690–91 and 1691–92, restored the rating to 12 *s.* 6 *d.*, which, as will be seen under the head of Leeward Islands, was the standard rating of sugar in the West Indies during the last 30 years of the 17th century.

Before the close of that century, coin would appear to have displaced commodities to a considerable extent.† For, writing to the Board of Trade and Plantations on 13th July 1691, Colonel Christopher Codrington, contrasting the Leeward Islands, says, "In Barbados, tis true they have a money trade, and consequently Muscovado shug^{rs}, cotten, and ginger, sells there at a tollerable price." And similar information, in more valuable detail, is given in Oldmixon's "British Empire in America" (quoted *infra*, p. 50), which speaks of the abundance of coin in Barbados up to 1704, and of the relapse to barter at that date in consequence of the Royal Proclamation of that year (*see* page 14). But this relapse, of which Oldmixon wrote in 1708, appears to have been temporary only, and not to have lasted beyond the first few years of the 18th century. About 1715 Barbados dispensed with the use of commodities as money, and finally established a metallic standard.

* The penalties under the "Act concerning morning and evening prayer in families" (1645 ?) are expressed in sugar; *e.g.* "whosoever shall swear or curse, if a master or freeman, he shall forfeit for every such offence four pounds of sugar; if a servant, two pounds of sugar." And a Fees Act of the same date directs that "people may certainly know where to carry and pay sugar for fees;" and no officer was to refuse sugar according to the prescribed scale.

† From the Act of 19 December 1688, "for ye better regulating of out cryes in open market," it appears that the Marshals were in the habit of computing their fees "most comonly in money, wch proves very inconvenient." Consequently the Marshal's fees were to be levied in sugar (at 12 *s.* 6 *d.* per 100 lbs.), and continued to be so leviable up to 1733, being virtually repealed by the Fees Act of 10 December of that year.

(II.) METALLIC CURRENCY.

(a) Prior to 1704.

Until 1715, Barbados,* like all other British Colonies in the New World, employed the Spanish Piece of Eight† as its standard coin. But, unfortunately, there is not the same definite information as to the earliest rating of the Piece of Eight in Barbados, which is forthcoming in Jamaica and the Bermudas.

A variety of Acts are recorded as having been passed in Barbados prior to 1668, but only two are extant. The first, dated 12 September 1651, and signed by Lord Francis Willoughy of Parham, after dwelling on the "good successes" elsewhere resulting from "the rysing of the valew of severall coynes," proceeds to rate coins at one-third above their sterling values, *e.g.*, "the two and twenty shilling peice of English money in gold‡ at twenty-nine shillings & fourpence and all lesser coynes to that proportion." The Dutch Ryder was rated at 28 *s.*, a Rix-dollar at 6 *s.*, a cross dollar at 5 *s.* 8 *d.*; "a ffrench double pistoll at 20 *s.*, a ffrench crowne at 9 *s.*; in sylver a Cardecue§ at 2 *s.*, an half Cardecue at 12 *d.*: (Spanish coynes in gold) a double pistoll at 20 *s.*, in sylver a peice of eight at 6 *s.*, & the lesser of that species in proportion." But it does not appear that this Act continued long in operation, for (at some date shortly before 1662)‖ an Act "for ye advanceing & raiseing the valew of peices of eight" recites, that "it is found by experience that ye want of money is very prejudiciall to this Island; that ye cause of soe great a want is for that *peices of eight have not theire due valew but passe here at too low rates.*"¶ Contrary to what might be imagined from the provisions of the earlier Act of 1651, this Act enacts that, "all peices of eight of Ciuel Mexico & ye Pillar peices shall passe currant at ye rate of 4 *s.* 8 *d.* a peice current money of England." There is thus evidence of early and conflicting ratings of the Spanish piece of eight; but, in the absence of fuller documentary evidence than the Record Office and the Island archives afford, there is only analogy with

* It is curious that Ligon never mentions any *coins*, and that (perhaps for the convenience of his readers in England) his sums are expressed in *sterling* in connection with the years 1647 to 1650 during which he was in Barbados, The word "sterling" is commonly used in early Acts of Barbados even down to 1682, when (*e.g.*) churchwardens were authorised to pay 5 *s.* sterling, (= a piece of eight) for every "wild monkey or raccoon" killed. "Current money" appears first in an Act of 8 July 1690 respecting the Governor's salary.

† *See* page 390 for the history of this important coin, which is even better known by its later name of the "Spanish Dollar."

‡ *i.e.*, the Guinea, *see* page 400.

§ *See* page 397.

‖ Probably in 1656. Oldmixon refers to an Act of this title, signed (like the above) by Francis Lord Willoughby.

¶ As the recognised sterling equivalent of the piece of eight in the 17th century was 4 *s.* 6 *d.*, the words in *italics* imply a *lower* rating in force.

Jamaica* and the Bermudas, to support the conjecture that the original rating of the piece of eight in Barbados was 4 *s.*, based on a sixpenny rating of the Spanish unit, the Real. The 4 *s.* 8 *d.* (over)-rating having been tried and found wanting, Barbados proceeded on 14 November 1668 to raise the piece of eight to 5 *s.* by an "Act for the advancing and raising the value of peeces of eight." Like its predecessor, though not with equal veracity, this Act stated that "*peeces of eight have not been fully estimated, but permitted to pass here from man to man at too mean rates*; whereupon very much coin hath been hence exported to foreign nations†; for prevention whereof for the future: Be it ordained that from and after publication hereof all peeces of eight of Sevill, Mexico and pillar peeces, shall be esteemed valued and pass current in payment between all persons within this Island at the rate of five shillings per peese current money of England. And that all and every the half and quarter peeces and royalls of the said coin and single royalls of all sorts of Spanish coin‡ in like proportion, any statute, law, ordinance, or provision heretofore made to the contrary, notwithstanding."

One of the earliest results of the 5 *s.* over-rating of the piece of eight (=4 *s.* 6 *d.* sterling), established in 1668, was to encourage counterfeits and light coins, as is shown by the passing of an Act of the 22nd December 1669, to stop the circulation of "several corrupt and exceeding light pieces of eight lately sent to this Island by some persons designing their own profit and advantage, though with the great damage and ruin of the prosperity and welfare of this Island." The coins are also spoken of as "less in weight or of a baser alloy than is usual."

Twenty-two years later, in 1691, Christopher Codrington speaks of "pieces of eight generally not being worth above 3*s.* 6 *d.* and 3 *s.* 9 *d.*, some 4 *s.*, and when full weight, w^ch^ one in a 100 is not, 4 *s.* 4½ d.; and in Barbados they pass for 5 *s.*" Analogy with the Leeward Islands, &c., at the same date, supports the view that clipped Spanish silver formed the bulk of the metallic currency of Barbados, at the close of the 17th century.

* It seems fair to assume that it was from Barbados that Jamaica (colonised half a-century later), borrowed its earliest rating of the piece of eight at 4 *s.*, just as it copied in 1670 the Barbados 5 *s.* rating of 1668.

† Evidence of the dearth of coin in Barbados of and the efforts of the early colonists to attract and retain specie, is afforded by the memorial of 11th May 1661 to the Board of Trade and Plantations, which prays, "that his Ma^ty^ would bee gratiously pleased to grant a power to your petitio^rs^ to advance the vallew of such fforeigne coynes as already are or hereafter shall be brought into this Island, with power also to new stamp them, or to coyne such gold and silver bullion as shall from time to time bee brought hither and to sett such vallews upon them as by us shall bee thought fitt for the good and benefit of this place. As to our desire of advanceing or coyneing of money, wee shall need speake little to that, all countryes haveing experimentally found that that only is the true measure and encouragement of trade, which wee have noe better way to gett into our hands then by advance and coyneing of money as it is before humbly desired." On 5th September 1667, and again on 3rd August 1668, the Colony renewed its petition for a Mint to coin money, to be current in the Island only, "as in New England and elsewhere is practised."

‡ This opened the door for the currency at 7½ *d.* of "Royalls," or Reals, of "new plate," *ten* of which went to the old Piece of Eight. *See* page 392 (note), and under Jamaica.

It is true that this is contradicted by the definite statement of Oldmixon* as to "the good weight of their pieces of eight" which formed the "great running cash in the Island" prior to 1704. But Oldmixon's statement is proved to be erroneous by the opening words of the Report of President Dottin to the Board of Trade on 9th November 1739, which gives the following account of the currency of Barbados from 1700 onwards :—

"In the year 1700 and till the 1st day of January 1704 (*i.e.*, 1705 'new style') forreign silver coin pass'd in this Island by Tale, so that *generally light money only was paid and received here*; for if what was offer'd wou'd by a standard be of greater or less value than it was offer'd at, it was taken according to its denominations of whole, half, quarter, and eighth peices; whereby a great deal of the forreign coins passing here were clipp'd and made very light, and there was then no complaint made of the want of cash in this Island. The gold that was then current were Pistoles† which pass'd at twenty shillings and guineas at twenty-five shillings."

(b.) 1704—1825.

"Her late Majesty Queen Ann by her Royal Proclamation dated 18th June 1704,‡ which was published in this Island the twenty-ffourth day of August following, and was to take place and be inforced the day of January afterwards, having been pleased to settle and ascertain the current rates of forreign coins in her Majesty's Colonys and Plantations in America, all the light money that had been before current, was, before that settlement took place, paid away in discharge of debts then owing in the Island; and the cash having then center'd in the hands of merchants and other traders who having advices that the neighbouring colonys and Plantations had not paid that strict observance to her said Majesty's Proclamation as had been done in this Island, most or all the cash was soon afterwards sent off from hence, which occasioned the prejudiciall Act hereafter mentioned to be passed in this Island for supplying the want thereof (sc. by paper).

* "Though Barbados could never boast of equal advantages with Jamaica, as to the trade to the Spanish West Indies, and had never such resort of pirates, who are the men that make silver plenty, yet four or five years ago there was a great running cash in the Island, thought to amount to no less than 200,000 *l.* sterling in value, many merchants at the Bridge having paid 10,000 *l.* ready money upon occasion; but that plenty is now so abated that it is well if there's a fourth part of that Sum at this time at Barbados. This was occasioned chiefly by the good weight of their Pieces of Eight; and the proclamation put forth in England in 1702 (*sic*) to reduce coin to a certain value by weight, which tempted many of the traders to buy up the silver, and export it to the other Islands, or to England, to save the premium of Bills of Exchange; which, on the calling in of the Pieces of Eight, and establishing paper credit, rose to 60, and is now 35 per cent., and in time of peace, when trade flourished, was but 10 or 12 per cent. Though the currency of money was thus settled, yet there was not enough of it to answer all the necessities of trade, and the *merchants bartered the commodities they imported for sugar*, cotton, ginger, and the product of the Island; Muscovado Sugar being the general medium of commerce there as well as in the other Islands."—(*Oldmixon.*)

† The Pistole, it will be observed, was rated in accordance with the monetary system of Spain at *four* pieces of eight.

‡ *See* page 14. Its fundamental provision was that a piece of eight of 17½ dwts. should not pass for more than 6*s.* "currency" in any colony.

And from the said first day of January 1704 *till this time all Silver Coins are accounted received and paid according to the rate and standard directed by the said Proclamation*; and when Moydores were first introduced into this Island, without any regard to their weight, they pass'd currently at thirty-five shillings each, as well as Pistoles at twenty shillings and guineas at twenty-five shillings, till the year 1715 or 1716, when the principal merchants agreeing to take Pistoles at twenty-two shillings and sixpence,* guineas at twenty-seven shillings and sixpence, & Moydores at thirty-seven shillings and sixpence, they have ever since till this time passed at those rates; and not many years since many pieces of new coin'd Spanish† gold have been introduced and pass current, the whole peices at five pounds and the others in proportion thereto. We have lately a very bad silver mostly current among us, of a very base allay, of a Spanish coin, called or distinguished by the name of Pistereens,‡ *which pass by weight.* But a French coin§ made for the payment of their soldiers abroad are reckon'd much better silver, and tho' they are not as good as their other silver, yet they pass currently in this Island by tale at seven-pence halfpenny, but weigh generally about seven-pence and under, and are much esteem'd by the inhabitants; but few remain long in the Island, being carry'd to his Majesty's Leward Islands and other places where the standard and weighing of money being little regarded, this Island is very often drain'd of all its cash."

"Uncoin'd gold is generally sold here at ffour pounds ten shillings per ounce, and silver at ffive shillings and sixpence per ounce, and the Exchange betwixt this Island and Great Britain for many years pass'd has been from 28 to 32 per cent., but most commonly at thirty."

"No paper credit was established in this Island in the year 1700, nor at any time before or since, but in the year 1705, when paper bills of credit to the value of 7,000 *l.* issued for the payment of a tax then laid on the inhabitants.‖ And in the year 1706,

* "A Pistole full weight, 104 grains, ought to be current according as Pistole gold bears to silver Proclamation money, at 22 *s.* 3 *d.*, but I will say 22 *s.* 6 *d.*, because at that rate they are taken at Barbados where the Act of the 6th of Queen Ann is observed." (Wavell Smith, "Two Letters to Mr. Woods," London, 1740.) The rating of 22 *s.* 6 *d.* for the gold equivalent of 4 pieces of eight of 6 *s.* each, is sufficient evidence in itself of the continued circulation of *clipped* gold coins.

† Is not the word "Spanish" a mistake? The "whole piece" suggests the new Portuguese Johannes, the half of which at 50 *s.* was the familiar "Joe" of later years. It was not till the beginning of the 19th century that the Doubloon passed for 5 *l.*; and it is here stated that the Quarter-Doubloon, or Pistole, continued in 1739 to pass at its 1715 rate of 22 *s* 6 *d.*

‡ *See* page 395, and under Jamaica, the Bermudas, &c. It will be noted that President Dottin states here that the currency of this coin in Barbados was by weight in 1739, and not by tale as in other Colonies and as in this Island in later years.

§ Isle du Vent, Bits of 1731. (Zay p. 58; and see *infra*, p 55.)

‖ "In the year 1705 the Assembly, taking into consideration the great want of money in the Island occasioned by the sending away all the silver from thence, upon the Proclamation for reducing pieces of eight to a certain standard in the West Indies, passed an Act to allow 65,000 *l.* paper credit, impowering the Treasurer to give out bills for such a sum, and lend them to the

when an act entituled "An act to supply the want of cash and to establish a method of credit for persons having real estates in this Island," passed here the 18th of June 1706, impowering the Treasurer to issue bills of credit by way of loan, for one year, to any person who shou'd apply for the same, to the value of one-fourth of their estates, which bills were then directed to pass as current cash and be received and allowed in payments accordingly. In pursuance whereof, large sums issued; but these bills being of little or no credit, and occasioning all the gold and silver coin to be sent off the Island, and greatly discouraging the trade thereof, her late Most Excellent Majesty Queen Anne, by her Order in Council dated the twenty-first day of October 1706, was pleased to declare her disallowance of the said Act, and signifyed her Royal Will and Pleasure to this Government that all possible care shou'd be taken, and the best provision made that cou'd be, that such who had been obliged to receive such bills and the persons to whom any debts were owing, and had been obliged to part with their legal securitys for such bills, should be no sufferers thereby, but be restored, as far as might be, by some new law to the same state they were in before the passing the said Act.* And to prevent a law of the like, or of any extraordinary nature passing in this Island afterwards, an instruction was given and has been continued to the governours not to pass any law of an extraordinary nature till the Sovereign's pleasure is first known therein, which has occasioned no other paper currency since to be established in this Island."

The foregoing detailed report of 1739 shews that the effects of Queen Anne's Proclamation of 1704 in Barbados were as follows:—

(1.) The light silver, which had previously been current at 5 *s.* per piece of eight, was driven out of circulation.

(2.) A gold standard was established; the rating of the (clipped) Pistole being raised from 20 *s.* in 1700 to

planters, on security of land and negroes. John Holder, Esq., Speaker of the Assembly, was appointed Treasurer, and was to have 5 per cent. for managing these bills. The money'd men were generally against this project, for they found their debtors were glad of an opportunity to pay them in paper."

"The Assembly who passed the Act being dissolved, the next that sat proceeded vigorously against those who were concerned in it, and sent an Address to England to complain of it."

"Mr. Crow arrived in Barbados in the year 1707 and according to his instructions removed those gentlemen that had been concerned in the Paper Credit Act from their places at the Council Board, and from all other that were in the Governor's power. This bred discontentment and occasioned more remonstrances to be sent to England."

"The Treasurer, Mr. Holder, was obliged to refund the 5 per cent. he had received for managing the paper credit; and he appealing, the matter depends at this time," *i.e.* 1708. (*Oldmixon.*)

John Poyer, in his History of Barbados (London, 1808), states that Holder "applied to the Queen to be permitted to retain his ill-gotten gains, but without success."

* A local Act was accordingly passed in April 1707.

22 *s.* 6 *d.* in 1715, and that of the Moidore from 35 *s.* to 37 *s.* 6 *d.*; & the Portuguese Johannes was beginning to circulate at 5 *l.*, or 50 *s.* for the "Half Joe."

(3.) Pieces of eight (or Spanish Dollars) passing by *weight* at 6 *s.* currency per 17½ dwts., could not be kept in concurrent circulation with gold.

(4.) In Barbados, as elsewhere in the West Indies, the "base Pistareen" formed the bulk of the subsidiary coinage.

For the next fifty years there is little evidence as to the facts of currency in the Island. But the evidence of a pamphlet published in 1791 in Barbados * shews that in that year a guinea was still rated at 27 *s.* 6 *d.* (though "the low rate of exchange has carried all the guineas out of the country"), a Moidore at 37 *s.* 6 *d.*, and a "Joe" at 50 *s.* Gold was still the standard; but the gold coins of Spain had been supplanted in Barbados (and in the Windward Islands generally) by the Portugese (Moidore and) Johannes. "By the simple operation of the scissors the joe and the moidore have been diminished until four of the imperfect pieces will weigh only three of the perfect. A pistereen † has been divided into four parts, three of which became current, each at half the value of the pistereen, and the remaining fourth part contained bullion equal in weight to the other three. An attempt was made to divide the dollar, but some secret principle prevented the mutilation, or common sense rejected the imperfect coinage, as it ought to bave treated the others."

The state of the currency, both gold and silver, had in fact become a scandal. The elections of 1790 turned on the question of currency reform; a reforming majority was returned; and a committee of the Assembly was appointed to consider the subject. In June 1791 an Act was passed making it penal to *clip*; but this was soon found to be inadequate. The real evil, so far as the gold coins were concerned, lay in the *importation* of light coins from America and Great Britain; and a further committee was appointed in the same month of June, which recommended that—

(i) Foreign gold should pass not by tale, but by weight;

* "The principles by which a currency is established and a coinage formed and the money circulation of this Island may be restored and preserved." This anonymous work is believed to have been written by G.W. Jordan, "the present valuable agent for the Colony, whose superior intelligence penetrates with facility into the most difficult and abstruse branches of human knowledge." (*Poyer*)

† In 1739 this coin was stated to be current by weight. It is evident that in the interval it had obtained a currency by tale as two "Bits" (or "Reals of new plate"), *i.e.* as the fifth of a Dollar. And as the fifth of the 6 *s.* rate laid down by the Proclamation of 1704 was an inconvenient fraction, the Pistareen passed for 1 *s.* 3 *d.* (*see* infra), or twice the uniform rating of the "Bit" since 1668. Hence the Dollar now passed for 6 *s.* 3 *d.*

(ii) That the following should be the weights and rates of currency for the several gold coins :—

	Weighing at least		
	dwts.	*grs.*	£. *s.* *d.*
Joe - - - - - - -	16	16	5 – –
Moidore - - - - - -	6	5	1 17 6
Double Doubloon - - - -	15	4	4 10 –
Rider - - - - - -	5	22	1 15 –
Louis d'Or - - - - -	5	22	1 13 9
French and Portugal Guineas - -	4	16	1 7 6
English Guineas - - - -	5	8	1 10 –

(iii) That 2¾*d.* should be allowed for every grain short of the above standard weights.

After six weeks' altercation between the Assembly and the Council, each throwing out the other's Bills, Governor Parry took the matter into his own hands, and on the 4th August 1791 issued a Proclamation "for immediate convenience, and in order to resort at once to the true and only equitable principle of fixing all foreign coins at a standard proportionate to the legal coin of Great Britain, and of keeping the different species of foreign gold coins aforesaid as nearly as may be to their known weight and standard." It will be seen that in the following ratings the Governor, whilst careful to retain the familiar currency equivalents, avoided the (conscious) error of the above Committee, and, instead of "reducing the standard of all foreign gold coins in circulation about 10 per cent. below their real value" (Poyer), laid down the *legal* weights as the standard. His rates and weights were—

		dwts.	*grs.*	£. *s.* *d.*
Joe - - -	weighing	18	10	- 5 – –
Moidore - -	„	6	21	- 1 17 6
Doubloon - -	„	17	8	- 4 10 –

and 2¾*d.* was to be allowed for every grain deficient. This reform put an end to the evils attending the standard gold coins of the Colony, by establishing a currency by *weight*, instead of by the abused system of tale.

Further, on 19th March, in a Proclamation against clipping and debasing gold coins, the Governor had called attention to the old provisions of Queen Anne's Proclamation of 1704, and had forbidden the passing of foreign *silver* coins at illegal rates, *i.e.*, at more than 6*s.* for 17½ dwts. As practically the whole of the silver in circulation was found to be light, the inconvenience of making retail payments by weight resulted in the passing of the Act of 19th March 1799, providing that after the 5th April of that year no clipped money should be a legal tender, but that it might be paid in by weight to the Colonial Treasurer up to 5th July. The immediate expense of the transaction was met by paying for the old silver in Treasury Bills of eight months' date.

The Treasurer was further directed to select good round pieces for "a currency to pass by tale." A pamphlet of 1816 by the Colonial Agent (Jordan) states that "since that period the silver money has been as good as could be wished, the pieces being generally perfect. The silver coinage consists of dollars current at 6 *s.* 3 *d.* currency (or 10 bits); half-dollars current at 3 *s.* 1½ *d.* currency, or five bits; quarter-dollars at 1 *s.* 6¾*d.* currency, or 2½ bits; pistereens current at 1 *s.* 3 *d.*, or two bits; pistereen bits current at 7½*d.* currency; Crimbal or Isle du Vent* bits, (French coins made for their Windward Islands, and called Crimbal, as I understand, from the name of the person who first introduced them into circulation in Barbados) current at 7½ *d.*; dollar half-bits, pistereen and Crimbal half-bits, and cut half-bits formed by the cutting of bits into halves,† current at 3¾ *d.* currency. The copper coinage consists principally of farthings."‡

Barbados now admitted to tender only silver and gold coins of full weight, and rated the dollar at 6 *s.* 3 *d.* and the doubloon at 90 *s.*, or in the proportion of 1:14.4, whereas in the outside market the ratio was 1:15.36. In other words, in order to circulate concurrently with the dollar at 6 *s.* 3 *d.*, the doubloon should have been rated not at 90 *s.*, but at 96 *s.* The result was that, finding themselves denuded of Spanish gold, the merchants at public meeting in 1816 decided to raise the doubloon to 5 *l.*, or 16$, in accordance with the monetary system of Spain. This step, which finds an exact parallel in Jamaica, had the natural result of driving silver out of the Island, whilst it attracted Spanish gold. The inconvenience under which the Colony soon laboured, of having little or no silver for small change, led in 1822 to the coining for Barbados (primarily) of a supply of "Anchor money," such as had originally been coined two years before for Mauritius. A supply of the new coins (of the denominations of halves, quarters, eighths, and sixteenths of dollars, *see* page 22), mitigated the evil, which had reference to retail dealings only, and did not affect the gold standard which was now re-established in Barbados.

(c.) From 1825 onwards.

In 1825 was issued the Order in Council of 23rd March of that year, aiming at the introduction of British silver and copper coins into general circulation throughout the Colonies (*see* page 21). As the "dollar" in Barbados was in reality only the sixteenth part of a gold doubloon, and as the doubloon (intrinsically worth only 64 *s.* sterling) derived a value of no less than 69 *s.* 4 *d.* from the mistaken rate of 4 *s.* 4 *d.* assigned to the dollar

* *See* also under Leeward Islands and *supra*, page 51.

† The writer states that the *cut* half-bit is more frequently a *third* of the bit, as "the division is not duly regulated." It may here be noted that, unlike Dominica, Trinidad, &c., Barbados never stamped its cut money with the Island's initial or other device.

‡ It is curious that the Agent should not have mentioned the Barbados "Pine Apple" penny of 1788, or the Barbados "Neptune's Car" penny and halfpenny of 1792 (*see* Atkins' "Coins of the British Colonies and Possessions").

in the Order in Council, it will readily be seen that the shilling was unable to oust the doubloon. And, even if the rating of the sterling coins had been justly expressed in relation to the doubloon, the awkward "currency" rating of 1 *s.* 5$\frac{4}{13}$ *d.* must have retarded its introduction into circulation among the uneducated classes, familiar only with "bits" in their simple reckonings. Such sterling coins as were issued to the troops, &c., by the Commissariat were first exchanged for doubloons, &c., and then remitted with profit to England. So far as general circulation was concerned, the measure of 1825 was an unqualified failure.

In 1834, doubtless in consequence of the currency reforms of that year in the United States, most of the "Anchor money" was shipped away to the mainland; and Barbados found itself without small change, and in danger of unknown demands for such coin in connection with the emancipation of the slaves. A Committee was appointed, which reported on 24th June 1834, recommending that the doubloon of 5 *l.* currency should be retained as the standard, and urging that British coins should be brought into circulation by (correctly) rating the sovereign at 31 *s.* 3 *d.* currency and other sterling coins in proportion. The general feeling in the Assembly seems to have been to make four British shillings equivalent to $1 (compare Jamaica); and against this view (which was in the planters' favour), the merchants hastened to protest by memorials of 7th July 1834 and 8th February 1835. Their protests were effectual, since, though a Bill passed the legislature to rate the shilling as a quarter-dollar, it was disallowed by the Governor. As, however, the need for small change was so great, and as the exigencies of the planters were so pressing, the Governor on 13th April 1836 proclaimed that, for six months only, the British shilling should pass at 1 *s.* 6 *d.* currency, which, as the local rating of the dollar was 6 *s.* 3 *d.*, was correct in making 4 *s.* 2 *d.* sterling equivalent to $1, though it left untouched the over-valuation of the doubloon relatively to silver. "This gave immediate relief," says an Island Memorial of 22nd November 1838; "for there was a large quantity of British silver in the Commissariat, which His Excellency gave instructions should be issued freely; abundance remained in circulation up to about the middle of last year, when the chief portion disappeared." As the Governor at first refused to renew the Proclamation, a public meeting was held on 2nd May 1837, which, after declaring that the lack of small silver was a serious evil to the planters and the emancipated slaves, pledged itself to continue to receive British silver coins at the rates of the expired Proclamation of 1836. Subsequently, these rates were again legalised by the authorised renewal of the Proclamation. Thus, from 13th April 1836, onwards, the dollar and British silver were correctly rated with reference to each other in Barbados, though the doubloon continued to be over-valued with reference to both.

On 7th and 14th September 1838 (*see* page 27), Orders in Council and Proclamations were issued for remedying the legislation of 1825. It was now provided that the dollar should be rated throughout the West Indian Colonies at 4 s. 2 *d.* sterling,

and the doubloon at 64 *s.*, for concurrent circulation with sterling coins. The Royal Proclamation was brought into local operation by the Governor's Proclamation of 26th October of the same year. This latter Proclamation, which was confirmed by Order in Council of 11th July 1839, took the doubloon as the local standard of value, and, retaining its current valuation of 5 *l.*, proceeded to re-rate on this basis the dollar at 6 *s.* 6 *d.* and the British shilling at 1 *s.* 6¾ *d.*, repealing at the same time all previous currency proclamations. The reform met with a mixed reception. As may be seen from petitions in the "Barbados Globe and Colonial Advocate" of 1st, 15th, and 22nd November 1838, there was a feeling in favour of making the dollar, instead of the doubloon, the standard. A letter of 1838 speaks of "an active Doubloon party, but weight and respectability on the other side." And at a public meeting held on 13th November 1838 it was unanimously resolved "that a petition to the Legislature be prepared, to limit the tender of the British silver to 20 *s.* current money of Barbados";* it was also resolved to take coins at the old rates. But this opposition to the measures of 1838 was temporary only. The new rates prevailed; British silver was introduced into, and retained in, circulation; the demand for a limit on its legal tender ceased to be heard; and ten years' experience of the new system led to the passing of the local Act of 21st August 1848 (No. 195) for the assimilation of the Colonial currency and moneys of account to sterling. On the basis of the rating of the doubloon at 5 *l.* currency, it was provided that old debts should be payable at the rate of 100 *l.* for every 156 *l.* currency; and 4 *s.* 2 *d.* in sterling was to be a due equivalent for every liability of one dollar. The last Section of the Act provides that "nothing in this Act contained shall be construed to interfere with the circulation of any foreign coins, which by Her Majesty's Proclamation now are or shall hereafter be declared current in this Island, at such values in the currency of the United Kingdom as now are or shall hereafter be fixed by any such Proclamation or Proclamations." Consequently the dollar and the doubloon remained a legal tender.

The Order in Council of the 19th August 1853, which was proclaimed and brought into operation locally on 11th October of the same year, rated the gold coins of the United States for concurrent circulation with sterling at 41 *s.* for the eagle and 4 *s.* 1 *d.* for the gold dollar.† And on 28th January 1867, the Governor by Proclamation brought into operation in Barbados

* This desire to put a limit on the legal tender of British tokens was shared by other West Indian Islands at this date, *e.g.*, Jamaica and Trinidad. But in 1852 (*see* Parliamentary Paper, No. 268, of 1853) local feeling was against a limit of tender for silver.

The Island Memorial of 22nd November 1838 viewed with alarm the grant of a charter to the Colonial Bank. "To retain a metallic currency is the avowed aim of Your petitioners, for they cannot view without apprehension the numerous failures which occur in those countries where paper is made the representative of specie."

† *See* p. 28 (note). Local Proclamation was made on 11th October 1853 and 11th April 1854. Intrinsically the gold dollar of the United States is worth 4 *s.* 1·316 *d.*, and the eagle ten times that sum, so that these coins, being undervalued, were handicapped as against the sovereign and doubloon.

the Order in Council and Proclamation of 10th November 1866, declaring the gold coins struck at the Sydney Branch of the Royal Mint to be legal tender in certain colonies.* But these provisions for the currency of United States and Australian gold were nugatory in a colony where token silver was an unlimited tender.† Dating from the gold discoveries about 1850, the silver dollar had ceased to circulate, as its gold-price had risen till it was profitable to export the coin. Like the rest of the West Indian Colonies, therefore, Barbados was left with a circulation composed exclusively of British tokens and the notes of the Colonial Bank. But a quarter of a century later, the increased production of silver and the consequent fall in its gold price, made it possible to lay down the Mexican dollar in the West Indies at a total cost of about 3 *s.* 10 *d.*, or 4 *d.* less than the unrepealed rating of this coin under the Order in Council of 1838. It does not appear that Mexican dollars were, as a matter of fact, imported by speculators into Barbados, as they were into British Guiana. But as a result of the general scare at the possible restoration of the silver dollar as a standard of value, the Act of 26th March 1879 was passed in Barbados demonetising Spanish, Mexican, and Columbian dollars, and providing that for three days after the publication of the Act, these coins might be exchanged at the Colonial Treasurer's Office at their former rate of 4 *s.* 2 *d.* each. By Order in Council and Royal Proclamation of 9th May 1891 (*see* the 22nd Mint Report) a colonial "groat or fourpence" was legalised for Barbados (and certain other West Indian Colonies). The Royal Proclamation was published in the colonial Gazette of 15th June 1891, and ordered by local Proclamation of 29th June 1891, to come into force on and from that day. (*See* also under British Guiana for this "groat.")

The circulatory medium of the Colony has long been confined in practice to British tokens‡ and notes of the Colonial Bank.§ The amount of specie in circulation‖ on 31st December 1891 may be estimated at 100,000 *l.*, and the amount of the Bank's notes at the same date at (perhaps) 32,000 *l.*, making together a total in coin and notes of 132,000 *l.*, which, taking the population at 182,000, gives an average of about 14 *s.* 6 *d.* per head (three-quarters in coin and one-quarter in notes).

With anomalous consistency, Barbados, like the rest of the West Indies, has always maintained a money of account different

**See* page 445. †*See* page 31.

‡The following coins are in occasional circulation:—United States Eagle at 41 *s.*, and other gold coins in proportion (except the gold dollar, rarely seen, which passes as a "dollar" or 4 *s.* 2 *d.*); doubloons at 64 *s.*; British Guiana (silver) guilder-token at 1 *s.*; and the Canadian quarter-dollar at 10 *d.*

§The Colonial Bank was constituted under a Royal Charter of 1836, and an Imperial Act of 1856. Its subscribed capital is 2,000,000 *l.* (of which 600,000 *l.* is paid up), and its total note circulation on 31st December 1891, was returned at 400,655 *l.* 12 *s.* 6 *d.* In addition to a London office, it has 15 branches and agencies in the West Indies and British Guiana.

‖Irrespective of the reserve held by the Colonial Bank in the Island, and of the probably considerable hoards buried by the negroes. These further items would probably equal, together, the amount of coin estimated in the text as being in general circulation.

from that in actual circulation. For some two centuries accounts were kept in £. *s.* *d.*, though the coins current were mainly Spanish; and at the present day, when sterling coins hold the field, mercantile accounts are kept in "dollars and cents," the dollar of account being 4 *s.* 2 *d.* sterling, and the cent ½ *d.*

CHAPTER IV.

LEEWARD ISLANDS.*

(1623.)

DOWN to 1670–71, these Islands, "so far as they were English, were part of a general government of the Caribbean Islands"; and their early currency history will be found under Barbados, the centre of the general government. The dearth of coin, and the consequent prevalence of barter in the Leeward Islands down to within a century of the present day, lends an antiquarian interest to the study of their currency; whilst the multiplicity of their early Acts, &c., furnishes a record of early colonial currency more complete than that of any other British "Plantations in America."

"In y^e^ Leward Islands," wrote Governor Chr. Codrington from Antigua on 13th July 1691, "there is very little money, and y^e^ trade drove in them almost wholly by way of Truck of the severall Especies of y^e^ produce of the Islands in Exchange for other and of all these for such goods and commodities as they want, nor is money soe much as the standard of Trade, ye March^ts^ keeping all their books and acc^ts^ in Shugg^r^ (*i.e.* Sugar) or other y^e^ produce of y^e^ Islands, and in these doe state all y^e^ Debts due to or from them." And so too in 1740 the Secretary of the Leeward Islands wrote, "When I speak of 'currency' without the addition of 'coin,' you will please to observe, I always mean the Value that is put on Sugar, Rum, Cotton, and other Commodities, the growth of the Leeward Islands, which is *called Currency there*, in contradistinction to Gold and Silver; for there is no such thing as *Paper* Currency in the Leeward Islands."

It is necessary, therefore, to recognise at the outset that in these Islands exchange was chiefly based on standard commodities. There was, in fact, a dual standard established by law, consisting primarily of commodities, and secondarily of coin. It will be convenient to deal first with the non-metallic currency.

I. BARTER.

In the earliest years it was tobacco which formed the monetary standard here, as in Barbados. "One thousand pound of good Marchantable tobacco in Role" was the fine for commerce with "the heathen" under the curious Antigua Act of 20th November 1644; and a like fine was imposed by a Montserrat Act of 1668 for Sabbath-breaking by "unlawful gaming, immoderate and uncivil drinking . . . or any other prophane and illicious

* St. Kitts, Antigua, Montserrat, and Nevis were the four original Leeward Islands,—Dominica and the Virgin Islands being added about a century ago

Labours of the Week-days, as digging, houghing, baking, crabbing, shooting, and such like indecent Actions."

About 1670–71, when the Leeward Islands were formed into a separate Government, sugar supplanted tobacco as the general staple;* and because (as a Nevis Act of 1672 recites) "many contests daily doe arise for that there hath not beene any certaine prefixed rate put upon Sugar whereby it might passe between party and party at a currant price in lieu of Money Sterling," sugar was concurrently rated with coin.

From 1670 to 1700 the regular rating enacted in the four Islands was 12*s.* 6*d.*† for "five score pound weight of good, dry well-cured merchantable Muscovado Sugar." This over-valuation,‡ of sugar discouraged the importation of coin, and, in spite of the several Acts of the 17th century in the Leeward Islands, little metallic currency was seen till after the beginning of the 18th century. The Colonial Acts levy taxes, prescribe fees, and impose fines (*e.g.* on the militia) in sugar; and private property was measured by the same standard of value. The following instances will exemplify the early conditions of currency in these Islands:—

(1) When in 1668 Montserrat decided that "by the first conveniency that may be, an able preaching Orthodox Minister be procured," the local Act prescribed that "for the maintenance of such able preaching Minister, the just and full Quantity of fourteen thousand pounds of Sugar, or the value thereof in Tobacco,§ Cotton Wool, or Indigo, be yearly raised or levied." (The Minister was not to demand payment for the Baptism of Infants, for reading the Burial Service, or for Churching of Women. For solemnising marriages, "no such Minister shall demand any more than one hundred pounds of sugar, or the value thereof in Tobacco, Cotton Wool, or Indigo.")

(2.) "Whatsoever Person," says a Nevis Act of 1680, "shall kindle any Fire or Fires in the Street or Streets, or other Places of Danger aforesaid, for boiling and dressing of Victuals . . . . . shall be forthwith fined one hundred pounds of Muscovado sugar." And, to guard against "small-pox, spotted fever, or other contagion," a like fine was imposed in 1680 on Masters of Ships landing passengers in Nevis without the Governor's license.

(3.) An estimate of an estate in St. Christopher (1698) contains the following item: "600 akers of good manurable land att least att 1,000 li. Sugar" (*i.e.* per acre), "the usual price the Sugar att 12*s.* 6*d.* per hundred - - - - £.3,750."

* In Barbados, sugar had supplanted tobacco, &c. as early as 1640 (*see* page 46).

† But 15*s.* in Montserrat from 1668 to 1670, and in Nevis from 1672 to 1680.

‡ The same Piece of Eight which passed for 6*s.* in the Leeward Islands, passed for only 5*s.* in Barbados; and yet, from 1670 onwards, 12*s.* 6*d.* was the rating of one hundred pounds of sugar both in Barbados and in the Leeward Islands. Hence, as Chr. Codrington observed in 1691, Barbados had "a money trade" when the latter Islands had "very little money."

§ Which was to be paid "in leaf," and not in roll, unless so agreed by both parties.

It may be concluded that up to 1700 commodities formed the sole internal currency, and the major part of the remittances, of the Leeward Islands. About 1699 (*see* the Antigua Act, page 66 *infra*) there would appear to have been for some unexplained cause an influx of metallic money, and the Islands proceeded to raise their denominational ratings of current coins. This step deposed sugar from being the standard, as is shown in the case of Nevis. For, when by Act No. 44 (probably of 1699) specie was formally introduced as the Nevis standard of value, the "disputes and controversies which have lately happened by the payment of money in Leiw of Comodityes" led to the passing in 1700 of a further Act, which runs as follows:—

"Whereas of late Sugar and other Commodities of the produce and Manufacture of the Island are advanced in their vallew much more than formerly, by reason whereof the Marchants and Traders (who were wont to be very well content to receive money instead of the several Comoditye produced and made by the planter, to say 12*s.* 6*d.* for every hundred pounds of Sugar, 2*s.* for a pound of Indico, and so proportionably for the seuerall other Commoditys) do now thinke it a greuiance and complaine that they are oblidged to take money for their dets; . . . and on the other side the Planters do insist on their ould* custome and are dubious that they shall be presently ruined by their creditors seuerily, should the said custome be infrindgit and they not have the Liberty of paying money at the usuall price when they have no possibility to procure the Comoditys of y^e^ Island. To put an end and determination to all such disputes . . . . it is hereby enacted" that money might be tendered at the following rates measured by the standard, and subsidiary, commodities, viz.:

"12*s.* 6*d.* currant money for every 100 lbs. of Muscovado.

2*s.*	„	„	1	„	„ Indico.
9*d.*	„	„	1	„	„ Cotton wool ginn'd.
1½*d.*	„	„	1	„	„ Tobacco or Ginger."

At the beginning of the 18th century, as a result of the Proclamation and Act of Queen Anne and the change of the metallic standard from silver to gold as hereafter detailed, sugar lost further ground as the circulatory medium, though it continued to be current. The fixed rate per 100 lbs. was 20*s.* in St. Kitts in 1717, and in Nevis in 1746. But the more usual currency was not at a fixed rate, as in the 17th century, but "at the then current price." In case of dispute, each side appointed a "Viewer" to value the commodity tendered in payment, and in case of disagreement the Viewers called in an umpire.

For purposes of internal circulation, sugar, &c. long continued to have monetary importance. On 15th May 1750 the Council

* Montserrat was mainly colonised from Ireland.

of Nevis* recommended the "present Levey to be in Money; the Perpetual Deficiency of Sugar Payments keeping the Country always in low Credit, as is too obvious to us all." The Assembly of the same Island on 15th June 1752 arranged for "the appraisment of all Sugars, Rum, and Molasses paid for Debts" (*i. e.* to the Colonial Government). And on the 24th August 1753 the same Assembly suggested "An Act to make the Commodities of the Country legal tender. The great scarcity of money of late, and the advantages thereby taken by the Merchants in not taking the produce of the country in barter, but at their own prices, makes such an Act absolutely necessary." A request by the Council for more precise information as to what was meant by "legal tender," drew the following reply from the Assembly on 30th August 1753:—

"The intended Bill will be calculated to make the Commodities of this country (as mentioned in the Bill) legal tender merely for goods, wares, and merchandise sold in this Government, but not for any debts contracted in England, nor to extend to any specifick contract whatever. The nature of ascertaining the value of such country Commodities will be by two persons to be chosen by the parties in difference." The Council agreed, but no legislation seems to have been effected.

In Antigua in 1756, taxes were to be paid "onethird part thereof in gold or silver current money of this Island, and the other twothird parts in good Marchantable Muscovado Sugar." But on 22nd May 1760, it was enacted that taxes should be paid "by discount of the public debt, or in gold or silver current money of this Island." As late however as 13th June 1770 (at least) sugar could still be paid at an agreed price for not keeping the full quota of white servants required by an old Act. Still later evidence of the internal circulation of commodities as money is afforded by a Revenue Act passed in St. Christopher in 1784:—"And whereas it may be burthensome and oppressive to the Inhabitants of this Island to pay the amount in specie, be it enacted that the payment of the taxes aforesaid may be in cash, sugar, or rum, at the option of the person or persons liable to pay the same."

By the close of the 18th century metallic money would appear practically to have driven commodities from circulation; and so ended this interesting, if confusing, phase of colonial currency.

* "As to the product of the country, and its trade, what has been said of Barbados, Antego, and the other Charibbee Islands, will also serve for this. Sugar is the staple commodity here, as well as there, and serves for all the uses of money. For all the trade of the Island is managed by sugar. Pounds of sugar and not pounds of sterling is the balance of all their accounts; and exchanging that commodity for others did the inhabitants' business as well as if they had silver."—Oldmixon's *British Empire in America*, 2nd Edition; London, 1741.

II.—COIN.

(i.) Prior to 1704.

The first enactment relating to the metallic currency of the Leeward Islands was that passed in "Mountseratt" on 29th September 1670, entitled "An Act for Rateing Sugger, Raising of fferreigne Coyne, and Preventing ye Plague." It runs as follows:—

"Whereas y^e^ Authority aforesaid having seriously considered y^e^ greate Necessity of money in this Island, for y^e^ Better Manadgement of Trade and to encourage all Sure person or persons that shall for y^e^ future bring any sum or sumes of fferreigne coynes unto ye Island aforesaid, or any others now on this Island that have any desire to imploye any sure coyne in their custodye: It is therefore enacted and bee it hereby enacted by y^e^ Authority aforesaid, y^at^ for y^e^ future all Moneys of y^e^ King of Spaines Coynes, shall pass and be received by all manner of persons resideing upon this Island, or which hereafter shall com upon y^e^ same at y^e^ full Allowance hereafter signified and expressed, that is to say every Ciuill, Mexico, and Pellare, Peice of eight at Sixe shillings, and every old Peru* and new at five shillings y^e^ Peice, and halfe Peices and Quarter peices proportionably, and all New England money† at its full vallue in New England."

The above Act of Montserrat, which superseded an earlier rating of 5 *s.* for the Piece of Eight (dating back to before the separation from Barbados in 1670–71), was copied two years later in Antigua‡ and Nevis, though (apparently) not in the remaining Island of St. Kitts. The Nevis Act of 1672 is interesting, as specifying in greater detail than does the Montserrat Act, the "pine-tree" coins ("Boston or Bay shillings," &c.) which were received from New England in payment for rum, &c. It concludes as follows: "All Money coyned in New England by his Majesties Authority§ and there called shillings, sixpences, threepences, twopences, and pence, shall alsoe, after the Publication hereof, passe currant in this Island, in all payments, for the like value as the same is in New England."

* These coins, being "of uncertain allay," according to Sir Isaac Newton, would appear from this prohibitive rating to have been foisted upon the local merchants to the exclusion of the more reliable Mexican coins. *See* also under Jamaica, page 99.

† *See* page 8 (note).

‡ The Antigua Act was "dated at the Court hous in ffalmouth (the 14th) day of August 1672."

§ This mis-statement of facts was doubtless intentional. This coinage (*see* page 9), which commenced in 1652 and continued until 1688, was viewed with royal displeasure. The coins were to be struck "of good silver of the just allay of new sterling English money, and for value to be stamped twopence in a shilling of less value than the present English coyne, and the lesser peeces proportionably." By 1654 they were taken in England at 9 *d.* pur shilling, or 25 per cent. off their face value. And this led to the rating of "peeces of eight, that are full weight and good silver," at 6 *s.* in New England on 8 October 1672, so that in this year New England and the Leeward Islands enacted like ratings, and had a similar currency system.

Some 20 years later the actual state of the metallic currency is touched upon in Governor Christopher Codrington's letter of 13th July 1691 to the Board of Trade and Plantations. His words are: "Our peices of eight generally not being worth above 3 *s.* 6 *d.* and 3 *s.* 9 *d.*, some 4 *s.*, and, when full weight (w^ch^ one in a 100 is not), 4 *s.* 4½ *d.* . . . they pass in these Islands for 6 *s.* Its but of late y^t^ we have had lesse y^n^ a Rial, which passes for ninepence, and y^e^ least we have now is a French Sole mark, w^ch^ passes here for three-halfpence, y^t^ is six of them to a Rial." * Speaking of a large consignment of farthings (apparently some 3,000 *l.* in all) which had been made to him by the "mere motion" of the Plantations Board, he remarks, "I have given each Company 100 *l.* of farthings, and y^e^ remaind^r^ I shall endeavour to dispose of to y^e^ best advantage of y^e^ Reig m^t^ for provisions and other necessaries. I must here observe to y^r^ Lordships y^t^ farthings cann be of noe manner of use in these Islands for change, there being nothing to be bought here for soe small a coyne, and a quantity of them are troublesome to carry. Tho' they are sterling money, yet 6 *s.* of y^rs^" (*i.e.*, your farthings) "will purchase no more here y^n^ a peice of eight; tho' had y^t^ 6 *s.* bin disposed of in England, it would have purchased a peice of eight and a-half" (*i.e.*, of the clipped kind).

The 6 *s.* rating of the Piece of eight had apparently not been enacted in the English half of St. Kitts; and moreover the occupation of part of the Island by the French introduced into circulation the silver Ecu, or Louis d'argent, probably as a result of the costly colonial administration of France. Consequently, in order to establish uniformity of rating for the Piece of Eight, and in order to admit the "French Crown" † to legal tender in the four islands, the General Assembly of the Leeward Islands passed an Act in 1694 of which the following are the two first sections:—

"And it is hereby enacted by the authority aforesaid, That each Piece of Eight of Sevill, Mexico, and Pillar, and each French Crown shall be current and pass for Six Shillings current Money; a Perue Piece of Eight at Five Shillings, and all Moneys whatsoever of those coins aforesaid shall in all Payments whatsoever be proportionably rated (except the Eighth part of a Perue Piece of Eight, commonly called a Sevenpence halfpenny, [which] shall be current and pass for Ninepence), any Law, Custom, or Usage to the contrary notwithstanding.

Whosoever shall, for base lucre, by any ways or means, coin, falsify, impair, diminish, seal, wash, clip, file, or lighten any of the Money aforesaid, or any other Money current in these Islands, shall be guilty of felony, and shall suffer death for the same without benefit of Clergy."

* Apparently the French colonial coin of 5-sols, or perhaps the *Double*, struck in 1670 (p. 176).

† *See* also under Jamaica.

It will be observed that in this Act there is no mention whatsoever of *gold* coins, and that specific reference to the New England coins is omitted, perhaps because of their occurring less frequently in 1694 than a quarter of a century earlier. It is also to be noted that clipped and light coins were already familiar, but that, whilst it was a capital offence to clip coins within the Leeward Islands, no penalty was imposed on the importation and circulation of clipped coins, nor was a least current weight fixed for the Piece of Eight and the Écu, which two coins, being practically of equal content of fine silver, were correctly valued at the same currency rate.

The shortcomings of the General Act of 1694 soon made themselves felt. The commercial rivalry of the four Islands readily disposed each to take any real or supposed advantage of the others. Nor did any one Island regard the passing of the Act of the General Assembly of the Leeward Islands as precluding it from further legislation on currency upon its own account.* Consequently, five years later, Antigua passed the quaint local Act of 26th March 1699. This Act, the greater part of which is given below, is notable as first introducing in the Leeward Islands (i) a rating of silver coins by weight, and (ii) a concurrent rating of gold coins; the influence of trade with the Dutch will be observed in the admission to tender of such coins as the Cross and Lion (or "dog") dollars, and, perhaps, the Barbary Ducat, which grew so familiar in later years:—"Whereas nothing is more obvious than that plenty of money in all countryes is what gives a great encouragement to trade, and that where it most stands the inhabitants of that place are very easy in all their dealings, which, for these many yeares past, by the dull methods of bartering on(e) commodity for another in this Island, and the brisk advantages (we) have had by some mony of late happening among us, we have sufficiently experienced. And forasmuch as the continuing the passable coins appointed by this Act in the Island, and the speedy encouraging the importation of more, is what will mainly contribute to the effectuall propagation of this collony; and in reguard also the infancy of the settlement will not at present admitt of bringing down the said coine so nere its intrinsick vallew as we could wish; yet by the importation of a quantity sufficient to circulate plentyfully in trade (tho' at a high vallew), we are sensible will not only be a present advantage but enable us also to bare the loss of a strict regulation for the future; . . . . Be it enacted that all mony, both gold and silver, shall hereafter pass from man to man at the rates and proportions as are hereafter sett down at large, and no otherwise. And no mony defaced by plugging† shall pass from party to party, to prevent the adulteration commonly used in the said pluggs.

* But see hereon the Leeward Islands Act of 7th June 1705, printed at page 17 of the Antigua Collection of Laws, 1734.

† *See* page 23 (note).

A Table for Mony intended to pass by this Act.

SILVER.	£.	s.	d.
Pieces of Eight* of Mexico Pillar and Civill and all others esteemed of the same finess, containing 17 peny weights, to pass at	–	7	–
The same, from 17 to 15 dwts. inclusive	–	6	6
All other of the same sort under 15 dwts.	–	6	–
Cross† and Lyon‡ dollars, and all Peru Pieces of Eight, without weighing	–	5	–
French Crown	–	7	–
English Crown	–	7	6
Black Doggs§ or French Sous marks	–	–	1½

GOLD.	£.	s.	d.
Spanish Double Double Loones,* containing 17 dwts.	5	12	–
French Pistoll or Lewis d'Ore	1	8	–
Arabiane Chequine† and all other small pieces of like weight	–	14	–
English Guinea	1	13	–
English Jacobus	2	–	–
English Carolus	1	10	–

*The weight given by Sir Isaac Newton in 1702, &c., was 17½ dwts., and the value 53·88*d.*, corrected to 54*d* in 1717. The rating of the Act is almost exactly 5*d*. per dwt.; hen ½, at 15 dwts., the rating should have been 6*s*. 2*d*., and at 14 dwts. 5*s*. 9*d*. Thus a premium was put on light coins.

†*i.e.*, the Patagon, or Cross dollar of Flanders, worth 52·91*d*. at 5*s*. 2*d*. per oz. standard.

‡*i.e.*, The Lion (or Dog) dollar of Holland, or ⅜rds of the Ducatoon; worth about 48·7*d*. at 5*s*. 2*d*. per oz. standard.

§ "Dogs," rated at 1½*d*., existed in these islands in the present century. In the French Islands they were called "Noirs." Codrington speaks of them (1691) as new importations; he terms them "Sole Marks" and "Solz Marques." (In connection with these "Black Dogs" the following extract from the Antigua Act of 1757 regulating the Assize of Bread is of interest:—"The loaf of wheaten bread commonly called a *Dog loaf or three-halfpenny loaf*, and which is the sixth part in value of the silver piece of money, now usually current in this island by the name of a Bit, or 9*d*., shall weigh, after being baked, 16¾ oz. av." On 12th December 1825 the "Dog Loaf" in St. Kitts was to weigh only 3 oz. av.) In Connecticut, in 1721, "An Act sent from the Lower House that the coin called Black Doggs pass at 2*d*. p. pce. was dissented to." (Crosby, "Early Coins of America," Boston, 1878, page 203.) Crosby could "gain no clue as to what coins were here referred to."

See Note * on page 65.

*Taken in connection with the rating of the dollar of like weight and fineness at 7*s*., the ratio adopted was that of Spain, viz., 16 : 1.

†The Barbary Ducat of 1740. *See* page 72.

‡The current of specie remittance being *from* the West Indies, and gold being over-valued relatively to silver in England at this time, these ratings of the English gold coins are immaterial.

"For every grain of gold short of the above weights, 4 *d.* is to be deducted."

As regards silver coins, halves and quarters were "to pass in proportion to the whole piece, both in weight and vallew . . . . but all others of less weight, together with Ryalls and half-Ryalls, (to) go in payment as formerly"; *i. e.*, the Real was to continue to pass by tale for 9*d*.

Provision was made in the other Leeward Islands on the same lines as those laid down in Antigua.*

When, therefore, Sir Gilbert Heathcote wrote to the Treasury in 1700–1 that "A peece of 8 in ye Leeward Islands is called 6 *s*., and 3½ ps. of 8 make 1 *l*.," it may be concluded that, though the rating of 30 years before was retained in name, in substance the "peece of 8" actually rated at 6 *s*., had shrunk from 17½ to under 15 dwts. These light coins, passing by tale, and being over-valued with regard to those of full weight, may be taken as forming the metallic standard of value for internal circulation.

*In 1698 there had been passed in Nevis "An Act to ascertain the value of Foreign Coin to pass current in this Island." No copy of this Act (which is stated to have been continued by an Act of the following year) is to be found in the Record Office; but it may be concluded, on analogy with the action taken in 1672, and in view of the statement of the Council of St. Christopher in 1716 (*see* infra) that its provisions were practically the same as those of the contemporary Act in Antigua. There is also indirect evidence of similar legislation in Montserrat; for it would appear, from the St. Christopher statement of 1716, that the 7*s*. rating of the Écu and the weightier Pieces of Eight was in force in this island in common with Antigua and Nevis.

But for making specie payments outside the Island, heavier unclipped coins were preferred. For, it appears from the Journals of the Council of Antigua for 27th April 1713 that "great (*i.e.* whole) pieces-of-eight, &c., have been, and still are, always taken by weight."* This view is supported by the evidence as to the currency facts of 1700, furnished to the Board of Trade in 1739. With regard to St. Kitts, it was said that "in the year 1700, and for some time before, almost the only coin passing among us were Spanish dollars or pieces-of-eight, and all the lesser species of that coinage. But they were for the most part clipt and passed in tale and without weighing at the rate of 6 *s.* this currency per dollar, no gold or other silver coin being hardly ever seen; but a Spanish pistole of 4 pennyweight was then deem'd worth 24 *s.* This currency continued untill the year 1704."

(ii.) 1704–1825.

Prior, therefore, to 1704, the metallic currency of the Leeward Islands consisted practically only of light silver (pieces of eight and smaller Spanish coins), which passed by tale. Queen Anne's Proclamation of 1704 (*see* page 14) had the effect of changing the metallic standard of value from silver to gold. The course of the change is fully, if naively, described in the following extract from a letter of Governor Jos. Estridge, dated St. Christophers, the 12th December 1739:—"In less than six months after there was no such thing as a piece of eight of any weight to be seen. The Difficultys which we soon found ourselves falling under for Want of some sort of Coin to supply even the Ordinary Occasions of Life made every one unanimously willing

* The exchanges are of interest in this connection. In 1700–1 the price in London of "Bills of Exchange that will be punctually paid," is stated in Treasury Papers as "125 *l.* for the Leeward Islands," *i.e.* 125 *l.* local currency for 100 *l.* sterling paid for the bills in London. On 7th August 1701, Joseph Martyn of London, merchant, offered to "supply what money theyr Lordships (sc. of the Treasury) please in y^e^ Leeward Islands," at 125 *l.* current money in Nevis. At the date of the capture of Nevis the Messrs. Haistwell, in March 1706–7, made the Treasury the highest offer they received for the placing of "money" in these Islands, viz., 20 per cent. premium. This rate, which they declined to continue, and which they proposed in 1703 to reduce to 112 *l.*, throws a *primâ facie* suspicion on the following insinuation of Mr. James Parke, in his letter to the Earl of Sunderland of 15th February 1706–7: "The officers complain the Coll. (*i.e.* Colonel) allows them but 15 per cent. for the difference of money, whereas the merchant allows 50 and 60 per cent., and I think it hard the Coll. should gett at least 35 per cent. upon all the pay of the regiment. Coll. Whethams lives at his ease in London and getts more money by this regiment than any five Collonells that have been in the battles of Blenheim and Rammalis." But an explanation of the discrepancy is to be found in Governor Estridge's statement of 12th December 1739, with reference to the above year 1707:—"It was Warr time and remittances could not be made to London in country produce under fifty or sixty per cent. loss, whereas coin at that rate to be sent to London did not loose thirty per cent., so everyone sent away what they had or coud receive."

In 1740 the exchange is quoted at 175 *l.* for Antigua and 160 *l.* for the three other Islands, but is is extremely difficult, if not impossible, to arrive at certainty as to the meaning of these exchanges, as sugar and other commodities were legal tender within each Island at prescribed rates, and the dual standard of coin and commodities naturally entailed local payment in the cheaper form for the time being.

so far to elude that Act as to recieve by Consent the Lesser Species of Ryalls and half Ryalls without weighing, which have passed and been received so ever since, and by this means some small Quantitys of that has been kept among us.* But as for whole or half Dollars or Pieces of Eight, hardly any have been in currency from that Time; for if by chance some few Dollars of full Weight are imported by Trading w^th^ the Spaniards, the Importer either sends them directly to Great Brittain or Sells them in Private at Seven shillings each to any one who wants them for that purpose. To relieve ourselves in some Measure from the Miserys we suffered by being drain'd as aforementioned of our silver Coin, w^ch^ stagnated all Trade and Embarrassed the Common Occurrences of Business, It was unanimously agreed towards the Year 1707, As gold Coins were not rated or comprized in the aforesaid Act, to receive and pay french Louidores and Spanish Pistoles at 28 *s.* and other gold coins in Proportion. This raising of gold encouraged the Importation of it and brought in some supply and such foreign *gold Coins, Spanish especially, have been the Chief or almost only Currency passing among us from that time.*"

The similar testimony of Messrs. Dunbar and Richard Oliver on 2nd January 1739–40 as to Antigua was, that "from the year 1700 to 1710 Spanish Pistoles† and French Louisdores pass'd at 28 *s.* per Peice without Regard to any certain Weight, and Quadruples (or gold Cobbs) pass'd in proportion at £. 5. 12 *s.* each."‡

They proceeded to review the history of currency in Antigua by decades, as follows:

(i.) 1700–10. "Spanish Peices of 8 of Mexico, Sevile and Peru, weighing 17 *d.* 12 *Grs.* pass'd at 6 *s.* per Peice in small sums without regard to the fineness or courseness of the Silver; But when any considerable Sums were receiv'd or paid, they were generally made a Merchandize of, and after the Act of Parliament in 1704 Peices of 8^t^ pass'd at 6 *s.* 10¼ *d.* per oz.,§ and were sold at 10 to 12 per C^t^ advance thereupon, and then esteem'd as the current money. At the same time, there was no Equality between the value of gold and the value of silver, the silver remittances to Britain being 10 to 15 per Cent. better than that of gold to the Shipper, and by this means all our Silver, espe-

* So, with regard to Antigua, the second edition of Oldmixon's book (1741) says, "The Currency here had been according to the Act (*i.e.*, of 6 Anne) till about the Time (*i.e.*, 1712) of Mr. Hamilton's being turned out of this Government, for the greater Pieces of Money; but Bits and half-Bits, Sevenpenny Halfpenny Pieces, past so as they had alw[illegible] done in marketing and retailing."

† So Oldmixon states that in 1711 "Pistoles passed there for 28*s.*"

‡ "*N.B.*—So inconsiderate and irregular were the values of these Species of Gold, that a Pistole which weighed only 4 dwtt. pass'd here at 28 *s.*, and yet a Moydore of near 7 dwtt. pass'd only for 42 *s.*, which is near 12 *d.* per penny wt. difference at the same juncture of time."

They add that the usual weight of the moidore was 6 dwt. 20 grains, coins of 5 dwt. 6 gr. passing at 33 *s.*, like the English guinea.

These early ratings of gold coins are corroborated by Oldmixon.

§ *i.e.*, at 6 *s.* per piece-of-eight of 17½ dwts., or 6 *s.* 8 *d.* with the premium of 12 per cent. mentioned later in this sentence.

cially the heavy part thereof, was gather'd up and remitted to Britain as Bullion; and the gold and a little Light Money only remain'd with us, and so it is at this day. We beg leave therefore to observe hereupon that a Remittance of £100 in heavy Money (*i.e.*, silver) then yielded so much (*i.e.*, £100) sterling, within 35 to 37 per cent. But a Remittance in either English or Portuguese gold did not yield above £100 sterling for £150 this currency, or thereabouts; and a Remittance in French or Spanish Gold did not yield above £100 sterling for £160 this currency, or thereabouts, which proceeded from the Lightness of those Species of gold and Irregularity of our currency during the space of those ten years.

"During that period of time, few or no remittances were made in gold to Britain, most remittances that were then made, were either in the produce of the country, or heavy money in peices of 8^t, or in bills of exchange, from 40 to 45 per cent.; except some small remittances in gold dust or ingotts, which were bought here at from 5 *l.* to 5 *l.* 12 *s.*, this money per Ounce, and by remittances of that kind, exchange did not amount to about 30 to 40 per cent.

(ii.) 1710–20. "Wee further humbly report that from the year 1710 to 1720 the value of gold and silver continued very near the same as they had been the preceeding 10 years.

(iii.) 1720–30. "Wee also further humbly report that from the year 1720 to 1730*, the value of the species in gold and silver had very little variation from what they had govern'd at both the preceeding periods of time, except that heavy silver advanced in the way of merchandize from 10 to 12 per cent. to 15 and 20† per cent., as a rule to bring heavy Money to Curr^t Money.

(iv.) 1730–40. "From that time, gold and silver pass'd as in the preceeding years, with little or no variation untill 1738,‡ and since the year 1738 all coyn'd gold has been paid currently at

* Writing from Nevis in 1724, Governor Hart says, "this money is one-third worse than sterling," taking the dollar at 4 *s.* 6 *d.* sterling, and at 6 *s.* in local currency.

† *i.e.*, from 6 *s.* 10½ *d.* to 7 *s.* 2½ *d.* (probably 7 *s.*) per piece of eight of 17½ dwts.

‡ According to Mr. Wavell Smith's anonymous pamphlet ("Two letters to Mr. Wood," London, 1740) a Bill was passed in Antigua on 30th April 1736 (and was copied in Montserrat) rating (1) British gold at 75 per cent. over its sterling value, (2) foreign gold at 3½ *d.* per grain, on analogy with British gold, and (3) all silver coins at 9 *s.* 3 *d.* per oz. (This last is apparently a mistake on Mr. Smith's part, and is copied into the second edition (1741) of Oldmixon's "British Empire in America.") The Bills (which frankly recite that the Act of Queen Anne "has long been found useless and impracticable in this island") did not receive the Royal Assent. But in March 1738, at a meeting of the Governor, Council, and Assembly of Antigua at Parham, "an Instrument of Association" was signed, undertaking to pay and receive gold at 3½ *d.* per grain as proposed in the Bill. "The whole bench of lawyers, who are most of them, if not all, of the Assembly, soon after agreed not to take a fee from any man that refused to receive the gold at that rate, but to be concerned against them, and have promised to appear and defend the other side gratis." (Wavell Smith.)

7 *l.* per ounce,* 7 *s.* per dwt., and 3½*d.* per grain, and peices of 8 (which formerly pass'd at 6 *s.* per peice, or 6 *s.* 10½*d.* per oz., according to Proclamation, with the advances thereon already mentioned) are now advanced to 9 *s.*† per ounce and upwards."

The steps of the change are thus clear: first, the gold coins were raised, and then as the Spanish pistole and Louis d'or purported to be equal to four dollars, or écus, respectively, these silver coins followed suit and were raised from 6 *s.* to 7 *s.* each. The latter step was taken before 1715, as is proved by the case of St. Christopher's‡; for on 23rd August 1715, the Council of this island "were of opinion that it would be of Benefit to this Island to raise the value of French crowns to 7*s.*"; and on the same day the governor ordered in council that "French crowns pass current, and be taken in payment, after the rate of 7 *s.* apiece, and all French Half Crowns and Quarter Crowns in proportion." The point having been raised whether this was not in defiance of the proclamation and Act of Queen Anne, the Council on 15th January 1716, observed that these *French crowns had passed current at 7 s. for several years in the other Leeward Islands*, and consequently argued, with much ingenuity, that the action taken in St. Christopher's in 1715 "could not be said to alter the coin, but only followed the practice of the other islands"! The council proceeded to state that "the said order has proved to the advantage of this island, and the recalling it would be very prejudiciall, as it would carry all such crowns (*which is the only species of coin we now have current*) to the other islands where they pass for so much. It is stated by Mr. Wavell Smith that, in 1740, the French crown formed "One-half of the silver money current in St. Christopher's," and that the Spanish pistole, reduced by clipping in London and Barbados from 104 to 96 grains in weight (or by 1 *s.* 4*d.* sterling in value), still passed for four of these current Écus. Governor Estridge, who corroborates Mr. Wavell Smith's statement as to the currency of gold pistoles of 4 dwt. passing at 28 *s.*, contradicts him as to the silver Écu by saying (with greater probability, on analogy with other West Indian colonies at the same date) that "*our chief or only silver currency at present are Spanish piastres*§ at 18 *d.* a piece, French Isle du Vents‖ at 9 *d.*, Spanish Ryalls at 9 *d.*, and the half pieces of French and Spanish at 4½ *d.*" Thus before the year 1740 all four Leeward Islands had arrived at uniformity of price for gold per ounce, and at uniform ratings of the several gold and silver coins current among them. The

* The same is stated to have been the case in 1739-40, in Montserrat and St. Christopher's. It appears from the ratings given on 17th January 1739–40, that the same price obtained also in Nevis.

† In the other islands it was only 8 *s.* The Antigua rate was 75 per cent. advance on the English Mint price of 5 *s.* 2 *d.* per ounce, standard.

‡ *See* also note to page 69 as to the maintenance of proclamation ratings in Antigua till about 1712.

§ *i.e.* Pistareens (*see* page 395); cf Jamaica at the same date (page 102).

‖ Called "French or Crimbal Bits" in Barbados (q.v.).

following is the Nevis table of 17 January 1739–40, with which the other three Islands practically agree :—

GOLD COIN.

	£.	s.	d.
Doubloon (*i.e.* of only 16 dwts.)	5	12	–
Spanish (or French) Pistole (*i.e.* of 4 dwts.)	1	8	–
Zequeen (*i.e.* of 2 dwts.)*	–	14	–
Portuguese Moydore (*i.e.* of 6 dwts.)	2	2	–
French Moydors (Louis de Malt)	2	2	–
French Lewisdore (of 1725, "Mirliton")	1	8	–
Portuguese Johannes (*i.e.* of 18 dwts.)	6	6	–†
Portuguese Crusado	1	16	–
English Guinea	1	13	–
French Guinea	1	13	–

SILVER COIN.

	£.	s.	d.
English crown	–	7	6
French crown	–	7	–
Spanish pieces of 8	–	7	– (formerly at 6 *s.*).
Spanish Ryall	–	–	9
French Ryall‡	–	–	9
Danziok Skelling	–	–	9 (now cry'd down.)

* Respecting these "Barbary Ducats" Mr. Wavell Smith wrote to his deputy about 1740 warning him against taking them, seeing that they were "clipt of five grains of their weight and yet uttered at 14 *s.* each when the real value (full weight too) was but 7 *s.* 10½ *d.* sterling." He adds the following note :— "When I first discovered the introduction of these Barbary ducats in my office at St. Kitt's, I soon put a stop to their currency by refusing them in my office; and afterwards talking with some gentlemen, they were desirous to give them a common name. Upon which I reply'd :— 'Christen them as sons after their fathers' name: so let them be called 'Toby's and Jerry's,' for they were introduced by a rich man at Nevis, Tobias Wall, and Jeremiah Brown, another very rich man at St. Christopher. The latter had the good luck to escape an indictment being found against him, by one of the Grand Jury withdrawing, not leaving a competent number to find the Bill."

† Wavell Smith states that the St. Kitt's currency of the "Johannes" (*i.e.* half the above coin, which is the dobra of 12,800 reis) was 3 *l.* 12 *s.*, *i.e.* double the valuation given in this table to the "Crusado."

‡ *i.e.* the Isle du Vent coin referred to *supra*.

"Lesser peices such as half and quarters in proportion."

There is a break after 1740 of nearly 60 years in the detailed history of currency in the Leeward Islands; and the close of this long period sums up a series of changes of which the following is necessarily only a conjectural record.

The starting point is the statement of 1739 that in 1739 the price of coined gold was 7 *l.* per ounce, and that of silver "9 *s.* per ounce and upwards." It will be seen that this is equivalent to a ratio between gold and silver of 1 : 15·5, or an under-valuation of silver by about 1¼ per cent. as compared with the market rate of 1 : 15·3. Consequently, as suggested by the words "or upwards," the price of silver as measured by the gold standard tended to rise above 9 *s.* an ounce, which is equivalent to 8 *s.* per dollar. And, *pari passu*, in the Leewards as in other West Indian Islands, there was a tendency to depart, as regards the over-valued gold coins, from the strict observance of currency by *weight*, and to pass by slow degrees to currency by *tale* for gold (as for subsidiary silver coins). Thus, the original under-valuation of silver was increased by the debasing, through clipping, of the gold standard. And this view harmonises with the fact that in 1766 Antigua passed an Act "to prevent Frauds and Abuses in exacting Sums of Money for changing Gold Coins into Silver Coins." This Act (viewed in the light of subsequent facts) may be regarded as an indication of the prevalence of the Portuguese Johannes, rated at eight dollars and passing by tale. As this coin was clipped and sweated, it drove out the Spanish and other gold coins, and formed the standard of the local currency throughout the Leeward and Windward Islands in the second

half of the last century. And one important result of the establishment of the light Johannes as the standard was the necessity, as its weight diminished, of raising the rating of the silver unit and nominal standard, viz., the dollar. Since the early years of the eighteenth century, as has been seen, the dollar, subdivided into 10 "bits" of 9 *d.* each, had been driven from circulation, the subsidiary circulation consisting of old worn and clipped token bits. It is probable that the Nevis rating of 1740 (viz., 7 *s.* for the Spanish dollar) soon gave way to a rating of 7 *s.* 6 *d.*, being the proper equivalent of 10 bits at 9 *d.* each. And it is an ascertained fact that, before the close of the century, the lightness of the current bits led to the rating of the dollar at 11 bits of 9 *d.* each, or 8 *s.* 3 *d.* per $. Thus the dollar, which had originally been rated at eight, and subsequently at 10 bits, had now been raised to 11 bits; before the close of the century it was to be further raised, except in the Virgin Islands, to be equivalent to 12 bits.

By 1798 the Leeward Islands were left with a circulatory medium consisting exclusively of light Joes and a minute quantity of worn and obsolete silver coins. The next few years are marked by endeavours to keep silver coins in circulation, and by the transition from the Joe to the doubloon.

Early in 1798 Martinique* passed an Act raising the rating of the dollar, on the ground that "the dollar passing in Antigua and Grenada at 9 *s.* (when it passed here only at 8 *s.* 3 *d.*) drained all the silver away." Hence, "of necessity and not of choice," Martinique copied its neighbours in the rating of the nominal unit, and then proceeded to "raise the gold in turn." In the autumn of 1798 Dominica likewise passed a Currency Act, "following the standard established in Martinique, between which and this Island the relation is so great and the communication so easy, that any difference in the values established in the two colonies must make gold and silver the subject instead of being the medium of trade between them." The final result was that within a few months there was one uniform rating of the dollar at 9 *s.* throughout the Leeward Islands, with the exception of the Virgin Islands,† where the old 8 *s.* 3 *d.* rating was retained, and where the dollar was still subdivided into 11 bits. Elsewhere, the dollar was equal to 12 bits, and the doubloon was uniformly rated at 16 dollars.

The action taken by Martinique and Dominica was severely censured from home, and the Governors were instructed to restore the original currency. The Governor of Dominica, misunderstanding his instructions, issued on 30th January 1799

* At this date Martinique was temporarily a British possession.

† On 11 March 1801 a Virgin Islands Committee, appointed to "take into consideration the propriety of raising the value of the Mexican milled dollar," reported that, as the Commander in Chief of the Leeward Islands had no power to assent to such a measure, the dollar "ought to remain at its present value."

a proclamation in which, with fancy weights, he embodied the earlier ratings of the common coins of the Island:—

	£.	s.	d.
Portugal Johannes	6	12	–
Spanish quadruple or doubloon	6	6	–
Pillared dollar	–	8	3
Piece of eight "weighing 13 dwts. 18 grs."*	–	6	–
"Quarter piece of eight" (*i.e.* the pistareen)	–	1	6

On 20th February a strong remonstrance was addressed to the Governor by the Assembly, asking for the withdrawal of the retrograde Proclamation, pending an appeal to the Crown in favour of "the law now in force." The merchants went further; two days after the Assembly's remonstrance they agreed in public meeting to pay and receive money at the rates prescribed not by the Governor's Proclamation, but by the Island Act; and the "Dominica Journal" counselled the vigorous boycott of dissentients (as having "sinister motives in view"). Thus the Proclamation became a dead letter.

By the close of the 18th century the several Leeward Islands had established, either by legislative or conventional action, a standard weight for their standard coin, the half-johannes. Whilst this coin continued to be rated throughout the Leewards, and, indeed, all the British West India Islands, at 66 *s.*, its weight was fixed,

(i). At 7 dwts. in the four original Leeward Islands.

(ii). At 8 dwts. in the Virgin Islands.

But, at the same time, in the words of the Council of Antigua in 1799, "as the standard value of gold coin in circulation in this island by weight" (*i.e.* excluding the "joe" which was current by tale) "is now, and has been for a great number of years, at the rate of 7 *s.* currency the pennyweight, and as it never has been customary in this island to weigh the silver coin in circulation, to recommend by proclamation any alteration in the former, or to adopt the latter, would be nugatory, as the inhabitants could not be compelled to pay any regard thereto, there being no legal standard for the weight of gold or silver coins."

Having attracted dollars by its enhanced rating, Dominica proceeded to take measures to keep them in the island. From the Council Minute of 14th September 1798, it appears that "whereas the scarcity of silver coin for change has long been a subject of great complaint," the Council ordered 4,000 "of the

* *i.e.*, the residue of the old coins struck before 1726 which still passed at the old Leeward Islands rating of 6 *s.*, even though the weight had diminished to 1¼ dwts. below that to which the 6 *s.* rating was limited by the Antigua Act of 1699 (*supra*, page 67).

This interesting survival of "pieces of eight," as circulating tokens at the end of the 18th century, finds an exact parallel in Jamaica (*see* page 105), where, as in the Leeward Islands, the 17th century rating was similarly preserved.

newest pillared dollars" to be handed over to "an ingenious silversmith," for the purpose of having a piece not exceeding 2 dwts. cut out of the centre of each dollar." It was at the same time provided that "such cut dollar shall circulate at the rate of 8*s.* 3*d.*, and every piece cut out of such dollar weighing 2 dwts. shall be paid at the rate of 1*s.* 1½*d.*" If the "cut dollar," or ring, did not weigh 15 dwts. after issue, it was to pass at 6*d.* per dwt. Writing of the new cut money on 12th February 1799, the Governor of Dominica says: "the silversmith in this Island cuts them for 4½*d.* each dollar.* The piece cut out is a scolloped round; on one side of each the letter D is stamped within a circle."

On 3rd February 1801, the Assembly of the Virgin Islands passed "an Act for stamping half dollars, quarter dollars, and shillings, pistreens, bitts, half bitts, also the coin commonly called black dogs, and rendering the same current at their accustomed values." After reciting "the great inconveniences which have arisen to all classes of the community for want of an established current coinage for the internal traffic of these islands," the Act proceeds to direct that all holders of "round or cut pieces of money, such as have for some time been in circulation (*viz.*, halves and quarters of dollars, &c.), do bring in the same to a committee to be appointed . . . that the same be stampt under their inspection and re-issued." The committee were to provide a "proper stamp," and the stamped coins were to pass "at the same rates and values as heretofore accustomed." The stamp adopted was "Tortola," and from the Council Minutes of 11th March 1801, it appears that the committee had "caused to be stamped the sum of 2,000 *l.* currency," and that they were further authorised to stamp a further sum of 500 *l.* currency. This Act was disallowed by Order in Council of 15th August 1802, though by Proclamations of the Governor (ending with Lord Lavington's of 1st October 1804) its provisions were allowed to continue temporarily in force until the autumn of 1805. After this latter date the cut-money passed current by convention only, but continued up to 1889 to circulate in the Virgin Islands.

As regards cut money in other Leeward Islands, there is not forthcoming the same direct evidence as exists for Dominica and the Virgin Islands. Atkins† describes stamped black dogs in connection with St. Kitts and Nevis, and he also describes a "thin piece of silver stamped with Nevis 6," which probably represents a "6-dog piece," or bit, and suggests the procedure of Dominica. And at the same date as the Virgin Islands, St. Kitts passed an Act for cutting and stamping silver and copper coins, the title of which is identical with that of the Virgin Islands Act. Unfortunately, the Record Office has preserved nothing but the title.

* *i.e.* The "ingenious silversmith" absorbed the whole of the profit arising from the division of a 9*s.* dollar into two pieces, rated at 8*s.* 3*d.* and 1*s.* 1½*d.* respectively.

† "Coins and Tokens of the Possessions and Colonies of the British Empire" (London, 1889).

Lastly, as regards Montserrat, it is stated in Porter's Tables that "dollars and other Spanish coin were cut by order of the Legislature," and many of the coins stamped in the Virgin Islands are stated to have been previously cut and stamped in Montserrat. It may well be, that in all the Leeward Islands (with the possible exception of Antigua) the same action was taken as has been above described in connection with the Virgin Islands.

As regards Antigua, the inconvenience of an insufficient subsidiary coinage led the Colony in 1796 to ask for an insular coinage of 5,000*l.* in small silver. The matter having been shelved by the Imperial authorities, a Colonial Committee in 1803 asked again that the coinage might be supplied, with the device of a windmill and the legend *Antigua.** A copper coinage was also asked for, but nothing was done in the matter of either the silver or the copper coinage. The dearth of small change led Antigua, about the year 1817, to supply its own wants by raising the rating of the pistareen from 1*s.* 6*d.* to 2*s.* currency, thus making the bit a "shilling." The result of this overvaluation of the pistareen (also called a "sheedy" early in this century) was of course to drive out other coins, both gold and silver; in the words of a Committee of the Legislature in 1834, "with us the chief medium of monetary circulation of late years has been the Spanish Pistarine, or 2-real piece."

With the dawn of the nineteenth century the doubloon, as 16 dollars, came to be the standard coin of the Leeward Islands in succession to the "joe." Whilst the Virgin Islands retained the old rating of the dollar at 11 bits, or 8*s.* 3*d.*, Antigua, Montserrat, Nevis, and St. Kitts agreed in having a common rating of the dollar at 9*s.*, or 12 bits; whilst Dominica, following the lead of the Windward Islands, adopted for the uncut, or "round" dollar, the enhanced rating of 10*s.* 6*d.* But in all the Islands alike the dollar, being regarded as the sixteenth of a gold doubloon, was underrated and driven from circulation. Therefore, the standard of the Leeward Islands still rested on a gold basis, though the standard gold coin was no longer the Joe, but the doubloon rated at 7*l.* 4*s.*

With the increased production of rum and molasses in the United States, and with the stoppage of supplies of Mexican coins owing to the revolutionary war, the Leeward Islands had been losing, since about 1810, their stock of the aliquot parts of the dollar. To meet this difficulty, the Islands had generally followed the lead of Antigua, and assigned to the pistareen the exaggerated currency value of 2 *s.*, *i.e.*, 2-9ths of a dollar, instead of 1-5th of a dollar, as in other West Indian Islands. Consequently the pistareen may be regarded as forming the bulk of the silver, if not of the entire metallic currency, at the close of this second period.†

* The Committee asked that the denominations might be 2*s.*, 1*s.* and 6*d.*

† In 1822, the deficiencies of subsidiary currency in the Leewards, as in other West Indian Colonies, was partially met by the coinage of "Anchor money" of the denominations of 1-4th, 1-8th, and 1-16th of a dollar (*see* page 21).

(iii.) From 1825, onwards.

It was at this stage that the Order in Council and Royal Proclamation of 23rd March 1825 was issued and brought into operation in the Leeward Islands. The intention of this measure (*see* page 23) was to remedy the shortcomings of Colonial currency by the introduction of British silver and copper tokens. But this intention was defeated by the provision which the Order contained, that the Spanish dollar was to be rated at 4 *s.* 4 *d.* (or 2 *d.* more than its gold-price) for concurrent circulation with the sterling coins. Such British silver as was imported by the Commissariat, was exported as soon as it was issued to the troops, &c. And it may well be that the currency ratings of the British shilling at 1 *s.* $10\frac{1}{13}$ *d.* in the Virgin Islands, at 2 *s.* $3\frac{9}{13}$ *d.* in Dominica, and at 2 *s.* $0\frac{12}{13}$ *d.* in the four original Leeward Islands, contributed to the failure.

In 1830 even the pistareen * was shipped off, "in consequence of its being taken by American traders with a view to its ulterior transportation to Cuba and other places, where it is said to be now current at a quarter-dollar. To obviate the want of a due silver medium consequent on this exportation," states the report of an Antigua Committee of 9 January 1834, "the Legislature has recently instructed the Treasurer to import a supply of English shillings and sixpenny pieces, to which—to preclude, if possible, a prompt withdrawal—a denomination of value has been assigned beyond the usual par of exchange." This latter sentence refers to the Treasurer's notice of 2nd November 1833, that the British shilling would be received and paid thenceforth as a quarter-dollar, *i.e.*, at 2 *s.* 3 *d.* currency, with sixpences at half that value. As doubloons thus became equivalent to 64 *s.* sterling (their proper value), the step was salutary in placing British coins on a proper equality with the standard doubloon;† and though it placed the silver dollar at a disadvantage relatively to sterling, yet this was of no practical importance, as the dollar had long been kept out of general circulation by its undervaluation relatively to the doubloon. Further, the Antigua Committee of 1834 proposed an insular coinage consisting of a silver "4-dog piece," and a copper substitute for the worthless "black dog," &c.; but happily no action was taken to perpetuate these barbarous denominations.

In 1838 (*see* page 27) a just value of 4 *s.* 2 *d.* for the dollar,

* But in Nevis, in 1857, a Proclamation declared the pistareen, better known here as a "sheedy," to be a legal tender at the rate of 10 *d.*, an over valuation which retained the coin in circulation within the Island. In 1865 the sheedy was decried as from 1 May of that year; but the local popularity of the coin with the merchants and planters made the Proclamation a dead letter. In 1876 the Colonial Government collected a large quantity of sheedies, but unfortunately paid them out again. In 1879 the Governor gave instructions that the sheedy should be exchanged for British silver, and finally on 8 October 1879 a Proclamation was issued, decrying the coin as from that date. The result was that at a cost of 1,065 *l.* sterling, the Colonial Treasury received 21,796 sheedies, 6,942 half-sheedies, and 131 double sheedies "and others." The loss on the sale of these coins as bullion was 200 *l.*

† There is an exact parallel for this in the case of Upper Canada, Jamaica, and British Honduras.

and of 64 *s.* for the doubloon, was fixed for their concurrent circulation with sterling. Retaining the doubloon as the standard of the local currency, and retaining its existing currency ratings, local proclamations prescribed the following concurrent ratings for the several Islands :—

Colony.	Date of Proclamation.	Doubloon.	Dollar.	British Shilling.
		£. *s.* *d.*	*s.* *d.*	*s.* *d.*
Virgin Islands	29 July 1839	6 8 –	8 4	2 –
Antigua	20 November 1838	7 4 –	9 4½	2 3
Montserrat	28 November „	7 4 –	9 4½	2 3
St. Kitts	7 December „	7 4 –	9 4½	2 3
Nevis	22 July 1839	7 4 –	9 4½	2 3
Dominica	7 February and 25 July 1840	8 – –	10 6	2 6

All these proclamations were approved and confirmed by Order in Council on various dates, beginning with 3rd May 1839.

The next step was to assimilate the money of account to sterling and dispense with "currency" ratings. This step was taken by Acts of the local Legislatures on the following dates :— Dominica, 13th June 1842 ; Antigua, 13th January 1847; St. Kitts, 20th August 1849; Virgin Islands, 25th October 1852; Nevis, 18th November 1858 ; and Montserrat, 1st December 1864. The rates per 100 *l.* sterling for converting "currency," were 200 *l.* for the Virgin Islands, 250 *l.* for Dominica, and 225 *l.* for the four original Leeward Islands.

The subsequent history of currency in the Leeward Islands is simple. British tokens were supreme before 1838 (at least in all the islands except Dominica and the Virgin Islands), and have since retained their supremacy. In 1853, by Order in Council and Royal Proclamation of 19th August of that year, the gold coins of the United States were made legal tender in the Leeward Islands, as in other Colonies in the West Indies (*see* page 28), at 4 1 *s.* the eagle and 4 *s.* 1 *d.* the gold dollar. In 1866 currency was given (*see* page 29) to the gold coins struck by the Sydney Mint. But neither of these measures had any practical effect in the absence of a limit of legal tender on silver tokens. In 1876 (1877 in Dominica) Acts were passed in each of the several Leeward Islands demonetising the silver dollar, the low gold-price of which now threatened to reduce the currency of the West Indies to a silver standard. On 9th May 1891, Section 10 of the Imperial Coinage Act was applied to the Leeward Islands by Royal Proclamation; and under that section, by Royal Proclamation of the same date, currency was given to a new "groat, or fourpence," (the modern equivalent of the earlier "bit"), struck for British Guiana and the West Indies. The Royal Proclamation was published in the "Leeward Islands

Gazette" of 18th June 1891, and brought into operation locally as from 1st August 1891 by the Governor's Proclamation of 25th July.

It is impossible to state the amount of coin now in circulation in the several Leeward Islands. But it may perhaps be conjectured that the amount does not exceed 5*s.* per head of the population. The amount of notes of the Colonial Bank in circulation in the Leeward Islands* on the same date may perhaps be taken at 22,000*l.* (mainly in St. Kitts). Taking the total population at 130,000, the above figures give an average of 3*s.* 4*d.* in notes per head of the population of the Leeward Islands.

In conclusion, reference must be made to the cut-money of Dominica and of the Virgin Islands, and to the exceptional conditions affecting the metallic currency of the latter islands.

(i.) The cut money of Dominica being "found by experience to be productive of great loss and mischief to the Colony," a Proclamation was issued on 17th October 1862 ordering all holders of these mutilated and defective coins to exchange them at the public Treasury at the following rates, "25*s.* sterling for 7 ring dollars, for 14 six-bit pieces, and for 56 mocoes† respectively, and 1*s.* sterling for every 20 dogs."

(ii.) The case of the Virgin Islands is interesting.‡ There were no troops in the Islands to attract sterling coins, and the commerce of the little community was mainly with St. Thomas and the neighbouring Danish Islands. Moreover, as a result of the cutting and stamping of dollars in 1801, the Virgin Islands possessed a circulatory medium which from sheer badness could only disappear if demonetised, or if driven out by a currency still worse. Although in 1852 the Virgin Islands duly passed an Act to assimilate their currency to sterling, its provisions amounted in practice merely to this, that instead of calling a "dollar" 8*s.* 3*d.* *currency*, the Islanders now rated their accustomed coins in terms of sterling. As the Act declared 100*l.* sterling to be equivalent to 200*l.* currency, and as further the Islanders disregarded the Proclamation which rated the dollar at 8*s.* 4*d.* instead of 8*s.* 3*d.*, they simply halved the latter figure, and accordingly rated at half their old currency values the familiar Spanish and Mexican coins. The result was a "dollar" popularly rated at 4*s.* 1½*d.* sterling, and consisting of 99 "cents." This anomalous result was convenient to a community which reckoned mainly by "dogs," 66 to the dollar. Subsequently, since the currency of the Danish Island of St. Thomas practically dominated all Virgin Islands currency, and since the standard coin in St. Thomas was the gold doubloon divided into 16 "dollars," the Virgin Islands reduced their rating of the "dollar" to one-sixteenth of the sterling equivalent of a doubloon, *i.e.*, to

* Notes are unfamiliar in the British Virgin Islands, and are not issued by the Colonial Bank in all the other Leeward Islands.

† For a parallel use of this term, *see* under the Windward Islands.

‡ I am indebted for my information respecting the curious currency of the Virgin Islands to the Commissioner, Mr. Edward Cameron.

4*s*. The Danish coins current some 30 years ago were based on the stiver, rated in the Virgin Islands as the seventy-fifth part of a current dollar. In 1857 it was stated by the Governor that "the British penny and halfpenny are rarely seen, and their values not understood by the people." In 1863 the Governor reported "the whole amount of British coin and of coin declared to be a legal tender is only 6 *l*." The Governor goes on to say that "the amount of United States half and quarter dollars in circulation is also very small. A great bulk of the circulation here is composed of the Danish money in use at St. Thomas. This Danish money has lately been simplified, and now consists of copper cents (equivalent to an English halfpenny) and debased silver (or rather mixed metal) coins of the respective nominal values of 3, 5, 10, and 20 cents. This coin has been coined expressly for use in the Danish West Indies, each coin bearing on the reverse a ship with the inscription 'Dansk Vestindisk Mont.' . . . . It is in this money, supplemented when necessary by notes of the St. Thomas Bank, that the whole of the daily trade between St. Thomas and the British Virgin Islands is carried on. The rest of the coin in circulation here consists of cut dollars." As regards the condition of the cut money, the Governor states that 33 "cut quarts" were found to weigh 121 dwts., 10 grains, or, roughly, about one-seventh below their weight of issue. Sixteen "dogs" weighed 283 grains, each coin being worn as thin as a sheet of writing paper, though "Louis XVI. R. de F. et de Nav . . . Colonie de Cayenne" might still be deciphered. (*See* Zay p. 80).

The following table gives the former ratings in sterling of the cut-money and other coins:—

Spanish bit	4½*d*.
„ pistreen	9*d*.
"Pillared 4 dog piece" (*i.e.*, a Mexican half-real)	3*d*.
"Stamped half-tortolo"	2*s*. 0¾*d*.
"Stamped quarter-tortolo"	1*s*.
"Stamped eighth-tortolo"	6*d*.
Danish cent	½*d*.
Danish 3, 5, 10, and 20-cent pieces proportionately.	
Spanish doubloon	$16 or 66*s*.
Mexican doubloon	64*s*.

The cut money was estimated in 1875 to amount to 175 *l*. only; a few years later 50 *l*. worth was shipped to England to be melted down; in 1889 pistareens and "dogs" were called in and sold, to the nominal value of some 15 *l*., for 6 *l*.; and at the same date the value of the cut half-dollar was reduced from 2*s*. 0¾*d* to 2*s*., at a total expense of 18*s*. 1½*d*. to the Colonial Treasury. Lastly, in 1892, it was decided to do away with the circulation of cut-money altogether, and a sum of 41 *l*. (in cut halves and quarters exclusively) was shipped to London for sale as bullion. Thus

disappeared a curious relic of the barbarous systems of currency which prevailed at the dawn of the century.

Meanwhile, as the supply of Danish tokens of 1 to 20 cents was excessive, these coins were received in St. Thomas at a discount, which was usually 2 per cent., but rose in 1891 to 10 per cent.; and in self-defence, the Virgin Islands rated them at 94 cents to the current dollar, *i.e.*, making 5 dollars in such coins pass for only 18 *s.* 9½ *d.*, instead of 1 *l.*

About 20 years ago, when the gold-price of silver began to fall, Mexican dollars flowed from St. Domingo into St. Thomas, and thence into the British Islands, passing in the latter at 4 *s.* sterling. And, as the result of the continued fall of silver, "all the business and money transactions of the Virgin Islands are at the present day carried on in Mexican silver, and in brass (tradesmen's) tokens" of 10, 5, 3, 2, and 1 cents, which were first issued in 1887, and have contributed greatly to drive out the Danish money. The Virgin Islands, unlike British Honduras under analogous circumstances, have partially preserved a gold standard of value by continuing to regard the current dollar, or dollar of account, as one-fifth of a pound sterling, and by reducing, *pari passu* with the fall of silver, the rating of the prevalent Mexican dollar in cents of a current dollar. In 1885 the Mexican dollar passed for 90 cents (3 *s.* 7½ *d.*), and now passes for 75 cents (3 *s.*), with a downward tendency.

CHAPTER V.

THE WINDWARD ISLANDS.*

(1763.)

Until the closing years of last century, the currency of the three Windward Islands (Grenada, St. Vincent, and St. Lucia) was derived from, and identical with, that of the Leewards; the unit of account was the dollar containing 11 "Bits" (of 9 *d.* each), and, therefore, rated at 8 *s.* 3 *d.* currency. But the characteristic feature of the Windward Islands was the prevalence of the Portuguese Johannes as the standard coin. The under-rating of this coin at $ 8, lead to the circulation of light "Joes," and to the mal-practices of clipping, sweating, &c. In order to escape from the evils of a currency composed of light gold, with little or no silver in circulation, the Windward Islands resorted to "cut money" and to the frequent raising of denominational values, with the final result that the dollar rose by 1838 to a currency rating of 10 *s.* It will be convenient to divide the history of Windward currency into two periods (the first ending with 1825 and the second beginning with that year), and to treat of the currency of each of the three islands separately within the two periods, up to the middle of the present century, when their currency history becomes identical throughout the group.

I. Prior to 1825.

(i.) The devices to which the dearth of silver led may be instanced by the words of the **Grenada** Act of 21st March 1787:—"Whereas by reason of the great scarcity of British silver coin in this Colony, a certain foreign coin called a dollar, at the rate of 8 *s.* 3 *d.* current money of Grenada, and a certain piece of silver called a "Bitt" (being the eleventh part of a dollar, marked with the letter *G*) at the rate of 9 *d.*, like current money, have, for purposes of commerce and public convenience, been by general consent suffered to circulate and pass in payment; and whereas a practice hath lately prevailed amongst divers evil-disposed persons of cutting, for wicked gain's sake, dollars into a greater number of parts than eleven, and marking each of such parts with a *G*, and then imposing the same on the public for a Bitt, and also of cutting, clipping, or filing such Bitts, as were originally equal in value to the eleventh part of a dollar, by which means the intrinsic average worth of the Bitts now circulating is diminished nearly one-third." It was enacted that no private person should cut dollars or stamp Bits "with the letter *G*,"

* For much information respecting the currency of the Windward Islands, I am indebted to the kind agency of the Honourable Sir Walter Hely-Hutchinson, K.C.M.G., the present Governor-in-Chief.

and that Bits should pass by tale for only 6 *d.* (instead of 9 *d.*), though by weight they might pass in the scale on an equality with whole dollars. It was, however, provided that in no case need a payee receive more than one-fifth of a payment in Bits, whether by tale or weight. The mode of payment by weight proved mischievous, as "ill-disposed persons introduced into the common packages (of Bits, by weight, passing for one Johannes, or eight dollars) Bits made of lead, tin, and other base metals." Consequently, Bits were ordered by the local Act of 9th December 1790 to pass by tale only, at 6 *d.* But, subsequently, it appears that the rating of stamped Bits was again fixed, by Proclamation, at 9 *d.*

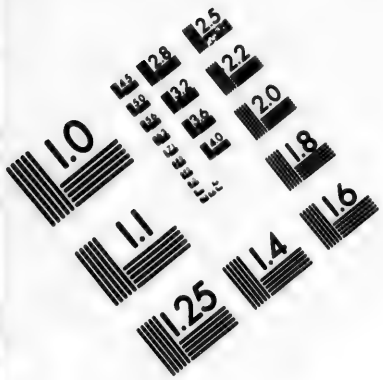
On 31st July 1798 President Mitchell issued a Proclamation, in view of "the present impaired and diminished state of the several coins usually current," and in order to prevent Grenada being flooded with the light Portuguese gold coins then being decried in neighbouring colonies. The following were his main ratings :—

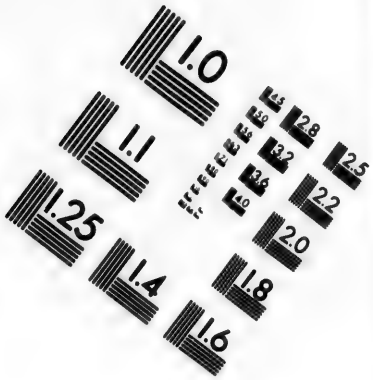
> Silver dollar, of at least 17 dwts., "at 12 Bits or 9*s.* currency,* and its aliquot parts at the same proportional weight and value."
>
> Johannes, weighing not less than 7 dwts. 12 grs., at 3 *l.* 6 *s.* currency (*i.e* $8 at the old 8 *s.* 3 *d.* rating).
>
> Johannes, weighing not less than 8 dwts. 12 grs., at 3 *l.* 12 *s.* currency, or 8 dollars (*i e.* at the new 9 *s.* rating).
>
> Guinea, weighing not less than 5 dwts., at 2 *l.* 5 *s.* currency, or 5 dollars.
>
> Moidore, weighing not less than 6 dwts., at 2 *l.* 9 *s.* 6 *d.* currency.
>
> Spanish quadruple, or double doubloon, weighing not less than 17 dwts., at 7 *l.* 4 *s.* currency, or 16 dollars ; parts in proportion.

As "great inconvenience and obstruction to trade may arise from the small number of Johanneses now in circulation equal to the foregoing prescribed weight of 7 dwts. 12 grs.," it was ordered that "the Johannes of 6 dwts. and upwards may be plugged" by prescribed officers up to the standard weight. And, "in order to facilitate the currency of the Johannes and its aliquot parts, as well those at present of the prescribed weights as those which are allowed to be plugged, the Johanneses weighing 8 dwts. 12 grs. or more, and the aliquot parts of a Johannes shall be stamped with the letter G in the centre of the face side, and the Johannes weighing 7 dwts. 12 grs. with the like letter in three places on the face side and as near the edge as possible."

In 1814 such was the scarcity of small coins in Grenada that

* The Preamble of the Proclamation speaks of "estimating the silver dollars at the *increased value* hereinafter annexed thereto." Hence 1798 may be taken as the beginning of the 9 *s.* rating in Grenada of the dollar now raised to 12 Bits. It should be added that, in this increase of the denominational value of the dollar, Grenada was only keeping pace with the Leeward Islands and was not as yet taking the lead in the race of denominational currency. It will be seen subsequently that St. Vincent was not slow to follow in adopting the new 9 *s.* rating.





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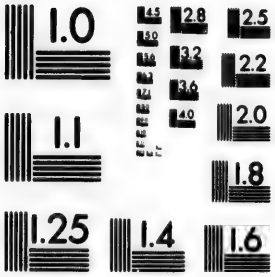
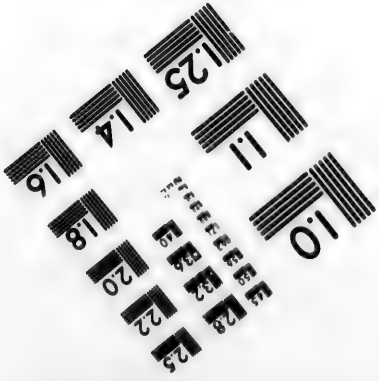




"housekeepers and the community in general find many impediments and much difficulty in procuring change to enable them to purchase the common necessaries of life." Accordingly the Governor's Proclamation of 2nd November 1814, ordered that 7,920 Spanish dollars, which had been expressly imported for the purpose, should be cut up and put in circulation. And by Proclamations of 23rd March and 1st August 1818, excessive values (which cannot be traced now) were given to the Spanish Pistareen (*see* page 395), which was strangely assumed to be a *Sicilian* "shield quarter-dollar." (Probably the rating was 2*s.* 3*d.*) And by Proclamation of 28th February 1823 "Anchor money" (*see* page 21), was made current, also at an over-valuation.

(ii.) In **St. Vincent,** on 8th December 1797, an Act was deemed necessary "to prohibit the importation of the counterfeit coin called Black Dogs and Stampees, and for appointing a Committee for regulating and stamping Black Dogs, Stampees, and half and quarter Dollars, and punishing offenders who may counterfeit such Stamps." The Committee was to "affix the following Stamp, to wit (S.V.)," on the above coins within 30 days from the passing of the Act. The reason given for stamping the silver coins was as follows:—"And whereas very great Frauds have been practised under the pretence of Cutting Dollars into Halves and Quarters for the purpose of facilitating the circulation of small Money, Be it enacted that all quarter Dollars and half Dollars hereafter to be admitted in payment shall be stamped under the authority of the aforesaid Committee with the same stamp as is to be used for the purpose of stamping Black Dogs and Stampees, and every quarter Dollar shall be stamped in three places as near as possible to the three angles, and every half Dollar shall be stamped in the places at the extremities of the two angles and in the middle between the stamps at the angles. No cut quarter of a Dollar shall be stamped but such as may weigh 3 dwts. 13 grs., and no Cut half Dollar shall be stamped but such as may weigh at least 7 dwts." Counterfeiting the stamp was punishable by death, and the following limits were fixed for the legal tender of the stamped coins:—

8 *s.* 3 *d.* currency in 6 *l.* 12 *s.* currency for Black Dogs, &c.
16 *l.* 10 *s.* „ 100 *l.* „ „ Cut Silver.

On 27th July 1798 a further Act was necessitated by "the reduced state of the gold coin and the quantity of counterfeit money in circulation," which had resulted in May in "a total stoppage in all payments of the money called Joes." The provisions of the Act may be summarised as follows:—

(i.) All gold coins were to pass by weight at 8 *s.* currency per dwt., and 4 *d.* per grain, with the following exceptions of coins to pass by tale:—

	dwts.	grs.	Currency.
Guinea, not weighing less than	5	6	at 2 *l.* 2 *s.*
Double Joe „ „ „	15	0	„ 6 *l.* 12*s.*

(The latter rating is stated to be "its present nominal value," making the half Joe worth 8 dollars at the old rate of 8 *s.* 3 *d.* per dollar.)

(ii.) The Spanish round dollar was to pass at 9 *s.* currency (and its parts down to the sixteenth in proportion);

English crowns were rated at 10 *s.* currency; and

"Portugal *(sic)* Coins called Pistereens shall pass as usual at 1 *s.* 6 *d.*," *i.e.*, 2 bits.

"Your Grace," wrote the Governor of St. Vincent to the Duke of Portland at this date, "can hardly form an idea of the shameful excess to which the deterioration of the Gold coin called Joes had arrived, the standard weight of which should be in this Colony 7½ dwts.; but it appeared, upon calling the light Joes in (to be increased to the established weight of the Island), that many did not exceed 5 dwts., and a very large proportion not more than 4 dwts. By the various regulations adopted, the money of one Island is not current in another, each Government having affixed a particular stamp. All the light money of the Colony has been brought to the standard weight by the addition of a gold plug inserted in the Joes at the expense of the Possessors, and (as English gold and silver coins are seldom seen), they again act as the general circulating medium." The Governor went on to explain that the increased rating of the dollar at 9 *s.* was intended to prevent "the exportation of our silver, which must have been the natural consequence produced by the additional nominal value affixed to coin at Martinico and Grenada."

Reviewing in 1815 the currency of St. Vincent, the Agent for the Colony stated that the silver coins current were dollars rated at 9 *s.*, which were cut into two and four pieces to form Half and Quarter Dollars. "A plan was adopted a few years ago of taking out from the centre of each Dollar a circular piece equal to half its weight and stamping both the ring and the central piece, the ring passing for the full value of the Dollar and the piece subtracted for the half. This should be done only by the Treasurer (in whose custody the stamp is), and the benefit arising therefrom be accounted for annually to the Legislature. Many impositions have of late been practised (as might reasonably have been expected), and the Legislature have determined to call in and pay off all so stamped." The Agent goes on to say that "other silver coins are the Bitts and Half-Bitts, both round. Besides these a French *(sic)* round coin passes for a Quarter Dollar, I believe called the pistoreene. This is more generally seen cut into quarters and again subdivided, passing for the bitt and half-bitt. The only copper coins are the stampee and black dog, both French, the former passing for the fourth part of a bitt, the other the sixth of a bitt (9 *d.* currency). Both the above are miserable coins and great impositions have been practised by the export of large quantities of something like them from Birmingham of little or no intrinsic value. . . . The silver current in the Island is more damaged than worn; scarcely a piece in circulation that has not undergone a clipping equal to the fourth part of its original size and value."

After premising that "Spanish dollars when paid away in large sums by weight must be one ounce, all other silver coins

passing by tale," the Agent mentioned (*inter alia*) the following weights and ratings:—

		dwts.	grs.		£.	s.	d.
Doubloon*	weighing	18	–	passing for	7	4	–
Joe, stamped†	„	7	12	„	3	12	–
Joe, unstamped	„	7	12	„	3	12	–
Moidore	„	6	–	„	2	9	6
Guinea	„	5	–	„	2	5	–
Dollar	„	18	–	„	–	9	–
Bitt	–	–	–	„	–	–	9

"Intercourse with the Spaniards formerly furnished the Island with large quantities of milled dollars brought by the Spaniards. But, as considerable difficulty always took place in navigating their open boats (or perriaques) against the wind (St. Vincent lying to the Eastward), these cargoes became more scarce, and as the Continental troubles reached more to the Southward, the trade has in a great measure, if not entirely, been thrown on the Islands of Trinidad and Grenada, and this obliged us in the Island of St. Vincent to have recourse to the mutilated stamped ring dollar to form something like a circulating medium. I do not apprehend (concludes the Agent) that these, together with the whole of the silver current coin in the Island, can exceed 1,000 *l.* currency."

It was avowedly in order to "bring into more general circulation the perfect Spanish milled dollar," that, on the 1st January 1818, Governor Sir Charles Brisbane proclaimed,—

(*a.*) That all plugged and stamped "Joes," and all unplugged and unstamped Joes of 7¾ dwts. should pass at 66 *s.* currency, and,—

(*b.*) That, whilst the whole Spanish dollar was to pass at the reduced rate of 8 *s.* 3 *d.* currency, the ratings of the "cut money" were to be reduced, as follows:—(*a*) the-ring dollar and "the diametrically cut half-dollar," to 4 *s.* 1½ *d.*; (*b*) the cut quarter-dollar to 2 *s.* 0¾ *d.*; and (*c*) the round 4½-bitt piece to 3 *s.* currency.

Popular pressure, exerted through the House of Assembly, speedily secured the revocation, so far as gold was concerned, of this measure. On 5th March 1818 the Governor issued a fresh Proclamation, aimed at "the currency of all the base and mutilated gold coin." In the first place, all plugged and mutilated gold was withdrawn in exchange for deposit notes, at its currency value. Next, for "plain and unmutilated and imperforated pieces" only, new and increased ratings (by weight) were prescribed, viz., 9 *s.* per dwt. for Portuguese gold and 8 *s.* 3 *d.* for all other gold coins. And, further, the (whole) Spanish dollar was raised to a currency rating of 10 *s.*, and the doubloon (weighing at least 17 dwts. 5 grs.) to 8 *l.* currency.

* "Very few in circulation."
† "Ill-fashioned lumpish pieces, stamped in the middle."

Though it will be seen subsequently, in connection with St. Lucia, that St. Vincent was not the first to establish a Windward, as opposed to a Leeward, currency, yet it is to St. Vincent that the dubious credit attaches of priority in raising the dollar to the ultimate Windward rating of 10 *s.*

(iii.) The currency of **St. Lucia** is complicated by the fact that the denominations used were the French livre, sol, and denier, instead of the £. *s. d.* currency of the British Islands. Its British currency history may conveniently be commenced with the Ordonnance of 20th January 1813, which, on the recommendation of the Council, and in order to stop the efflux of coin, directed the circulation of cut money in the following terms:—"Des pièces d'argent provenant de gourdes coupées en trois morceaux et ce le plus près possible des colonnes lesquelles resteront dans les morceaux de côté et au moyen de ce l'écu se trouvera tout entier dans celui du milieu. Chacun des morceaux portera l'empreinte "S. Lucie." Les morceaux de côté ainsi coupés et étampés auront chacun la valeur de deux livres cinq sous, ou trois escalins, et celui du milieu six livres quinze sous, ou neuf escalins." Half and quarter dollars were to be similarly stamped and cut, with proportionate ratings.* The currency of these stamped fractions of dollars was soon checked by "une quantité considerable de Mocos dits de Sainte Lucie, provenant de gourdes coupées et marquées de fausses étampes, lesquels ne pouvant plus y circuler (*i.e.* in Martinique) vont refluer sur cette île." Consequently all importation of cut money was prohibited, and the following ratings were laid down by the Ordonnance of 26th April 1817:—

(a.) *The Dollar.*—"La gourde ronde aura cours pour 9 livres 15 sous, ou 13 escalins." (Cf. Zay p. 211-2).

(b.) *Gold.*—The Spanish doubloon was rated at 15 dollars, or 146 livres 5 sous. "Les moedes ('Joes') continueront de passer pour la même valeur qu'elles ont actuellement dans la Colonie, savoir:—Celles d'or vrai de Portugal à 9 livres le penny (*i.e.* dwt.) Celles dites d'or à 20 (sc. carats) à 8 livres 8 sous le penny.

(c.) *Cut Money.*—The cut money of 1813 was to pass at reduced rates, the "3-Moco piece" or middle of the cut dollar being reduced from 9 to 8 escalins (or bits), whilst the single

li. sous den.

* For the fractions of the ½ dol. the middle piece was to pass for 3 7 6
or 4½ escalins.
For the fractions of the ¼ dol. the middle piece was to pass for 1 13 9
or 2 escalins and 1 tempé.
And the side pieces were to pass for a third of the above values respectively.
The escalin, it will be observed, is the more familiar "Bit," 12 of which went to the dollar, as against 15 under the profitable scheme of cutting the dollar introduced by the Ordonnance. (Cf. Zay 217-221).

"Moco" (or side piece) * was to be reduced from 3 escalins to "2 escalins et quatre noirs ('Black Dogs') ou 40 sous." In other words, the cut money was reduced in value one-ninth all round.

It may here be noted that on 10th August 1825 Governor Blackwell estimated the cut money at between thirty and forty thousand dollars. He added that it was "liable to be cut and filed down."

The relation in St. Lucia of the livre to the dollar is interesting. An Ordonance of 1st June 1818 (giving currency to British pence) rated these sterling coins at 108 to the "Gourde Courante,† ou neuf livres." As has been already seen, the Spanish dollar had been raised the previous year from 9 livres (12 bits) to 9¾ livres (13 bits). And since a bit was 9 *d.* currency, the Act of 1817 gave to the Spanish dollar in St. Lucia a currency value which was expressed in terms of £. *s. d.* as 9 *s.* 9 *d.*, a rating which marked the first rise of a Windward, as opposed to a Leeward, currency. The next step was the convenient one of decimalizing the dollar in terms of livres, a step which was taken before 1823, doubtless by popular agreement, and in imitation of St. Vincent's action of 1818. The Act of 1st April 1823, which gave currency in St. Lucia to the British "Anchor money" (*see* page 21), rated the quarter dollar at 2 livres 10 sols, *i.e.*, 10 livres to the dollar. Thus, as a livre was identical with a "shilling currency," St. Lucia had established by 1823 the final Windward Islands rating of the dollar at 10 *s.*

II. FROM 1825 ONWARDS.

In pursuance of the measures taken by the Imperial Government in 1825 (*see* page 23) for introducing British silver and copper coins into general circulation throughout the Colonies, steps were taken in the three Windward Islands to fix ratings in "currency" for the sterling coins. These ratings were based on the (mistaken) Imperial rating of the Spanish dollar as the equivalent of 4 *s.* 4 *d.* (instead of 4 *s.* 2 *d.*) sterling; and, as the "dollar" was rated at 9 *s.* in Grenada, at 9 *s.* 9 *d.* in St. Lucia, and at 10 *s.* in St. Vincent, no uniform currency ratings for sterling coins was possible throughout the three islands.

(i) In **Grenada** a local Proclamation was issued on 19 September 1825‡ rating the British shilling at 2 *s.* 1½ *d.*, and declaring the pound currency equal to 9 *s.* 7 81-100 *d.* And the opportunity was taken to reduce the excessive ratings of "Anchor money"

* "Moco" seems to be an abbreviation of the word *maccochino*, of which the forms *maccaroni* and *macuquina* were employed in Jamaica and Trinidad respectively to denote cut money. (*See* note under Jamaica, page 109).

† Cf. Mauritius for a parallel to this survival of a "current dollar" (of account) retaining an obsolete rating outgrown by the specie dollar. (*See* also under Malta).

‡ Subsequent Proclamations of 12th October 1826 and 6th May 1827 were issued with reference to the currency of the half-crown.

and of the "peseta or pistereen, commonly called the shield quarter-dollar," coins which "at present form the chief part of the circulating medium." It was provided that the pistereen should thenceforward pass for 2 *s.* currency only, and Anchor money at the rate of 9 *s.* per dollar, with a 50 *l.* limit of legal tender. Finding, however, that the underrated British silver was eagerly bought up by shrewd merchants at a premium of from 2½ to 5 per cent. as soon as it was imported by the Commissariat, the Colony of Grenada passed an Act in 1827 overrating the British shilling at 2 *s.* 6 *d.* currency. "From that time the dollars and doubloons have all disappeared" (wrote an official in 1827), "together with every description of coin except British silver." An effort appears to have been made to retain the familiar coins; for, the Governor stated in 1836 that "usage arising from premium has rendered the doubloon current at 8 *l.* and the dollar at 10 *s.* currency," *i.e.*, at the enhanced ratings already in force in St. Vincent.

(ii.) Writing in 1831, Charles Shepherd, in his "Historical Account of the Island of **St. Vincent**," gives the following account of the currency of that island: The gold coins in circulation are exclusively Spanish and Portuguese, the doubloon at the value of $16 with the aliquot parts in proportion. The Johannes passes by weight at 9 *s.* the dwt.; formerly this coin was the most common throughout the islands, each Colony multilating their own by plugs and various marks, to prevent exportation; from these practices the coin became so deteriorated that in 1818 it was called in at a considerable loss, and doubloons came into more general circulation. The silver coins are the dollar which passes for 10 *s.* currency, and the Colonial coins (*i.e.* Anchor money) of one-fourth, one-eighth, and one-sixteenth; the British silver occasionally forms part of the Commissariat issues (from which source nearly all the bullion of the country arises), but it is speedily collected by the merchants for remittance to Europe, and is therefore of little benefit as a *general circulating medium*. The English copper money and a barbarous Colonial coin, with the equally barbarous names of stampees and Black Dogs, completes the catalogue."

It has not been found possible to trace the St. Vincent Proclamation of 7th September 1825, rating British silver coins.* But it was stated officially, with reference to the legislation of 1818 above mentioned, that there existed in St. Vincent "a distinction in value between the perfect and the mutilated Spanish dollar, the perfect dollar having an increased value of 1 *s.* currency, and a corresponding greater value in currency has there been given to British coins." As the Spanish dollar (10 *s.* currency) was rated at 4 *s.* 4 *d.* sterling in the Order in Council of 1825, probably the British shilling was rated at 2 *s.* 3 9-13 *d.*, and the pound currency at 8 *s.* 8 *d.* sterling.

* The island records were lost in a fire at Kingstown many years ago, and no copy is forthcoming in the Record Office in London.

On 2nd September 1834 the House of Assembly of St. Vincent was anxious to "introduce with effect measures for the abolition of currency and the substitution of sterling money in the Colony." The Governor drafted a Proclamation accordingly, rating the dollar, &c., in terms of sterling, and demonetising "stampees and Dogs;" but by the advice of the Governor of Barbadoes he abandoned his project as *ultra vires*.

(iii.) In **St. Lucia** there was a difficulty in the shape of "cut money," estimated at from $30,000 to $40,000. On 26th July 1825 the Privy Council favoured the introduction of sterling coins and the withdrawal of cut money; but, though a measure was drafted to carry out these objects, nothing was done at the time. Proclamations were issued on 22nd April 1830 ordering the "Round dollar" to pass at 4 *s.* 4 *d.* sterling, and the Moco to pass at 10 *d.* sterling. And on 14th September 1835 a Local Ordinance was passed (with reference to the new threepenny and three-halfpenny pieces then first introduced into the island), whereunder the British penny was rated at 4 sous, the British shilling at 48 sous, and the sovereign at 960 sous, or 48 livres (48 *s.* currency). Previous to this, the shilling had passed only for 40 sous, or 2 livres (2 *s.* currency).

In 1838 (*see* page 27) the Imperial Government introduced its remedial measures, whereby the errors of the legislation of 1825 were (temporarily) rectified by valuing the dollar at 4 *s.* 2 *d.* and the doubloon at 64 *s.* for concurrent circulation with sterling coins. Under the new Imperial legislation it remained for the Governors of the three islands to express these parities in terms of currency. By this date the lead of St. Vincent had been followed by St. Lucia and Grenada, and the dollar was now uniformly rated in all three islands at 10 *s.*, and the doubloon at $16 or 8 *l.* currency. Taking the doubloon as the standard coin in each case, and adjusting the ratings of the dollar and British shilling accordingly on the Imperial basis, the Governors laid down the following scheme:—

Doubloon, 8 *l.*; dollar, 10 *s.* 5 *d.*; British shilling, 2 *s.* 6 *d.*

The Proclamations of the Governors were severally dated 16th November 1838 in St. Vincent, 22nd November 1838 in Grenada, and 12th December 1838 in St. Lucia, in which last colony the currency values were also expressed in the French denominations as 160 livres for the doubloon, 50 livres for the sovereign, 2½ livres for the shilling, and 10 livres 8 sous 4 deniers for the Spanish dollar.

The next step was to dispense with the inconveniences of "currency" and adopt sterling denominations of account. This measure (which Grenada had been anxious to adopt since 1825, and St. Vincent since 1834) was readily carried out by the passing of a local Act on 16th December 1839 by St. Vincent, and on 24th August 1840 by Grenada. Difficulty was experienced in getting rid of the old French denominations in St. Lucia. In 1839 the Legislative Council threw out a Bill for introducing

sterling denominations;* on 5th June 1840 Governor Everard took the matter into his own hands, dispensed with livres by Proclamation, and (after rating the dollar and doubloon at 4*s.* 2*d.* and 64*s.* respectively) gave a currency, in terms of sterling, to the "cut money," as follows :—

	s.	*d.*	
Fond (3-Moco piece) - - -	2	6	sterling.
2-Moco piece - - - -	1	8	„
Moco - - - - - - -	-	10	„
Dog - - - - - - -	-	1½	„

Startled by these unfamiliar denominations, "not representing ascertained values," the Imperial Government disallowed the Governor's Proclamation, and passed an Order in Council on 1st April 1841, which abolished the French denominations of account (livres, sous, and deniers), and ordered that the currency of the United Kingdom, known under the denominations of pounds, shillings, and pence sterling, should be the sole and exclusive currency and money of account to be recognised as legal within the Island of St. Lucia. By 1841, therefore, the currency of all three Windward Islands had been assimilated, in form at least, to a sterling standard; and, though the doubloon and dollar were admitted to tender in Grenada and St. Vincent concurrently with sterling, in St. Lucia sterling was the sole and exclusive currency by law.†

As regards the old "cut money," it is possible to describe its withdrawal from St. Lucia, though not from the other two islands. The Imperial Treasury having been advised that "mocos," though still current, were no longer a legal tender, a notification to this effect was published in the Official Gazette, in February 1851; and in the same Gazette appeared a notice from the Colonial Treasurer, stating that "cut money" would not be received at his office after 1st August 1851, but requesting that, up to that date, taxes and duties might be paid in cut money in preference to other modes of payment. In the words of the St. Lucia Blue Book for 1851 :—"It was deemed expedient gradually to withdraw this description of coin from circulation. Of this coin, 7,400*l.* in value has been already withdrawn and shipped to England through the agency of the Colonial Bank, and an equivalent sum in small British silver has been introduced." It was estimated that cut money to the value of about 1,000*l.* sterling was still outstanding. The effect of the withdrawal was described as follows by the representative of the Colonial Bank on 10th April 1852:†—"After the first dissatisfaction caused by the change of a currency to which the labouring population had been long accustomed, the convenience of the circulation of British

* On 12th July 1839 the Legislative Council were unanimous in thinking that the then existing system of currency was the most advantageous to the Colony, and would cause less confusion than if the system of sterling were introduced.

† Parliamentary Paper, No. 368 of 1853, page 36. This paper also gives the contemporary view as to the limitation of the legal tender of British silver in the West Indies.

silver and its smaller divisions was soon appreciated, and, as I can speak from experience, it is now far more favoured by the lower classes than was ever the cut money, and conduces much more to their convenience and comfort."

Henceforth, in the Windward Islands, as in other West Indian colonies, the records of currency history are simple. The gold discoveries of 1849 and 1851 enhanced the gold-price of silver; the dollar was driven out; and sterling coins soon monopolised the circulation. But, as there was no 40 *s.* limit of legal tender, and as the Islands did not favour the introduction of such limit, the sterling coins in circulation were, and remain, exclusively tokens of silver and copper. Consequently, the legalisation in the three islands of U. S. gold in 1853 (*see* page 28), and of the Sydney Mint gold coins in 1866 (*see* page 29), produced no practical effect on the currency of the Windward Islands. Lastly, when the gold-price of silver had fallen so as to threaten the Windward Islands, like the rest of the British West Indies, with a silver standard of value such as now exists in British Honduras, local Acts were passed demonetising the silver dollar, Grenada passing its Act in 1878, St. Vincent in 1879, and St. Lucia in 1882. In 1891, by the Order in Council of 9th May of that year, a colonial "groat or fourpence," was made a legal tender in the three Windward Islands. (*See* page 86 of the Twenty-second Annual Report of the Deputy Master of the Mint.) In Grenada the Order was published in the Government Gazette of 17 June 1891, and brought into local operation on and from 15 July; in St. Vincent the Order was published in the Government Gazette of 18 June 1891, and brought into operation on and from 9 July; and in St. Lucia the date of Gazette publication was 3 July 1891, and the date on and from which the Order was brought into operation was 28 July.

In 1888 St. Lucia passed a "Legal Currency and Tender Ordinance" to consolidate and amend the currency law of the island. This Ordinance proposed (i.) to repeal all previous legislation, (ii.) to re-enact the provisions of the 1841 Order in Council, whereby sterling was constituted the sole and exclusive currency of St. Lucia; (iii.) to make Bank of England notes a legal tender, and (iv.) to place a 40 *s.* and 1 *s.* limit on the legal tender of British silver and bronze respectively, subject to a proviso that the 40 *s.* limit might be set aside in the case of silver, if a Court were satisfied that "reasonable diligence" could not have procured gold or Bank of England notes.* Though the Home Government was constrained to disallow this Ordinance in view of its provisions as regards Bank of England Notes, &c., the credit rests with St. Lucia of being the first among West Indian colonies in modern times to attempt to remedy the evil of allowing unlimited tender to tokens.

The amount of coin† in circulation in the Windward Islands is

* It may be well to point out, that not only are Bank of England notes not a legal tender outside the United Kingdom, but that, even within the United Kingdom, they are not a legal tender outside England and Wales.

† As practically no gold is seen in circulation, these figures refer to *tokens* only, and practically to shillings and sixpences.

(roughly) estimated to have been as follows on the 31st December 1891 :—Grenada 13,000 *l.*, St. Vincent 8,000 *l.*, and St. Lucia 10,000 *l.* (irrespective of the Bank's holdings and hoarded coin, amounting to at least as much more). The notes of the Colonial Bank in circulation in the three islands on the same date were (about) 12,000 *l.* for Grenada, 5,250 *l.* for St. Vincent, and 9,000 *l.* for St. Lucia. Taking the total population of the several islands at (in round numbers) 53,000 for Grenada, 42,000 for St. Vincent, and 42,000 for St. Lucia, the above estimates give the following averages of the "active" currency per head of the total population :—

Island.	Coin.	Notes.	Total Currency.
	s. *d.*	*s.* *d.*	*s.* *d.*
Grenada - - -	4 11	4 6	9 5
St. Vincent - -	3 10	2 6	6 4
St. Lucia - -	4 9	4 4	9 1

CHAPTER VI.

TOBAGO.

THE early currency of this Island was identical with that of the Leeward and Windward Islands. The standard was gold, and the standard coin was the Portuguese johannes. Nominally, it is true, the dollar was the unit, at 8*s.* 3*d.* currency, with the half-johannes rated as the equivalent of eight dollars. But in Tobago, as in other West Indian Islands, the over-valuation of gold drove out silver.

On 17th August 1798 a committee was appointed, in view of a general circular from home respecting base coins, &c., to consider how best to put a stop to the circulation of base money, and to put a standard weight upon Portuguese gold. On the 23rd they reported that after public inquiry they found that "there is at present in circulation in this Island above 8,000 johannes, which are not more than sufficient for the internal commerce and convenience of the country. A very large proportion of them are considerably under the standards which have been fixed in the neighbouring colonies. Apprehensions of immediate loss and inconvenience produce a great unwillingness to adopt the expedients which have been recurred to in other islands, that is by fixing a standard weight and passing the light coin by weight. Such a regulation would in a great degree prevent the infamous and immoral system of mutilation which has grown to such a height now as to call for the interposition of authority to check it." The committee went on to propose that a standard weight of 7 dwts. should be fixed for the johannes rated at eight dollars, or 66*s.*, "stamping all the johannes now in the Island of less weight, and giving them the currency of the standard." The depreciation of the silver and the baseness of the copper coin are evils too that call for remedy." When the matter came before the Council, they suggested a proclamation against light gold, to prevent the threatened influx of light "joes" from Martinique.

The Governor having stated that he did not see his way to sanctioning as the standard a weight so far below the legal weight of the coin, the Council replied that no other Colony fixed the weight at anything like the proper number of grains, and that to fix the weight in Tobago at a grain or two under the full weight of 9 dwts. 6 grs. per joe would ruin everybody, and would carry off all the coin in the Island. The result of this remonstrance was that the Governor consulted the Home Government. But on 15th October 1798 he issued a futile proclamation fixing the weight of the half-johannes at 9 dwts. 4 grs., and rating it at 36*s.* sterling. Other gold coins were rated in proportion, also in

terms of sterling, and the ancient rating of the Spanish dollar at 4*s.* 6*d.* sterling was re-enacted.

The result of the fixing of standard weights was to introduce in Tobago the barbarous expedient, already familiar in most of the neighbouring Islands, of raising light gold coins to the standard weight by "plugs" of gold (frequently copper). The adulteration of the plugs, and other inconveniences, led to the issue, on 13th July 1821, of the Governor's Proclamation demonetising all "plugged gold;" and the Island was free thenceforward from this evil. It was probably with reference to an earlier date that the concluding words of the following statement of 1825 refer: "At Tobago the currency is more defective than in any of the Islands. There is a copper coin of the value of a farthing which circulates as a penny, of which (as is natural) the counterfeits are most extensive; and as an attempt to stop this, they are stamped, and called 'estampees.' There are also gold and silver coins of a similar nature, none of which pass current except at Tobago. A proposition to call in these coins was before the Legislature when I left the Island."

As regards the estampees, it should be stated that, as early as 9th November 1807, an Act was passed imposing a penalty of 100 *l.* currency on the importation of "base copper and other coins made to the resemblance of the foreign coins called estampees and black-dogs." The penalty was raised to 250 *l.* by the Act of 20th November 1817. And similar provisions were embodied in a further Act of 1821.

The history of the silver "cut money" of Tobago is obscure. It was stated in 1825 to amount to from 30,000 dollars to 50,000 dollars. Apparently, this cut money originated in "An Act to establish and regulate a small currency for the Island." Atkins, in his "Coins of British Colonies and Possessions," describes "a Spanish dollar with a hexagonal piece cut from the centre," and states, that "the piece cut from the foregoing is countermarked with a T."

When, by local Proclamation of 6th August 1825, the Imperial Order in Council and Proclamation of 1825 (*see* page 23) was brought into operation, the Governor took the course of laying down not "currency rates" but sterling denominations; the Spanish dollar was rated at 4*s.* 4*d.* sterling, and the doubloon was rated at 69*s.* 4*d.* sterling, or 4*s.* per pennyweight. Consequently, though sterling denominations were introduced, yet as the dollar was worth only 4*s.* 2*d.* sterling, and the doubloon 64*s.*, sterling coins were unable to compete with the silver, much less the gold coins of Spain. It was stated in 1827 that "almost the whole of the British silver imported by the Colony has disappeared."

On 13th September 1838, the Council represented that the Colonial Bank was allowing only 4*s.* 2*d.* for the dollar, and urged that the dollar and doubloon might be rated at 4*s.* 2*d.* and 63*s.* 6*d.* sterling, "their true and proper value." Accordingly, when the Imperial Government introduced its remedial measures of 1838 (*see* page 27) there was no opposition in

Tobago. There was no conventional "currency" as a term, and every one knew perfectly well that the doubloon was the standard coin. On 5th November 1838, the Governor proclaimed (in his own name) that the Royal Proclamation should forthwith take effect and come into force. It was not necessary in this Colony to give new "currency ratings" to the Spanish coins.

The remainder of the currency history of Tobago is identical with that of neighbouring Colonies in the West Indies. On 8th May 1854, and 27th May 1871 respectively, United States gold coins and the sovereigns and half-sovereigns of the Sydney Mint were made a legal tender in the Colony; and by Ordinance No. 14 of 1879 the silver dollar was demonetised. Practically, gold coins do not circulate, and the circulating medium consists of British silver and copper tokens.

CHAPTER VII.

JAMAICA.

(1655.)

A SPECIAL importance attaches to the early history of currency in this island, seeing that in the seventeenth and eighteenth centuries it was the bullion-centre of the British possessions in the New World. Not only was Jamaica commercially the most prosperous of the West Indian Colonies, but, as being both the head-quarters of the naval and military forces and the home of the buccaneers, the island constantly received large supplies of coin, and enjoyed a metallic currency,* when the West Indies in general kept accounts, and traded, in sugar and other commodities. And whilst it was thus the main channel through which coins passed into the West Indian Islands, and (in a less degree) into the "Plantations" on the mainland, Jamaica exercised indirectly an important influence on all the Colonies of the New World by the rating which it borrowed from Barbados for the dominant coin of its currency area—the "Piece of Eight." For Jamaica, regarding (like Spain) the *Real* as the unit, valued this coin at 6 *d.*† sterling (the valuation adopted by Mr. Daniel Merser, merchant, in a letter to the Mint of 4th September 1680), with the result that the Piece of Eight passed at only 4 *s.*,‡ or 6 *d.* under its accepted sterling value, and

* Oldmixon says: "The Island began to abound in Money, which was brought thither by the Buccaneers, as the Pyrates in the Spanish West-Indies are called. And the Government of Jamaica, tho' they were far from encouraging such wicked courses, yet winked at them, in consideration of the Treasures they brought thither and squandered away there." He adds curious details of the Buccaneers' reckless extravagance with "the Load which they had scraped together with so much Hazard." (*British Empire in America*, first published in 1708.)

See also the *Account of Jamaica*, by Francis Hanson, written in 1682. In observing that the Island of Jamaica "is most commodiously seated in the midst of the Spaniards" ("the very belly of commerce," according to C. Reynel in his *True English Interest*, 1674), "so that we drain the benefits of their gold and silver mines without their labour and expences,"—Francis Hanson observes: "And whereas most other plantations ever did and now do keep their Accounts in Sugar, or the proper commodities of the place, for want of money, it is otherwise in Jamaica; for in Port Royal there is more plenty of running cash (proportionably to the number of its inhabitants) than is in London, which (among other worthy acts) we chiefly owe to the provident care of his Excellency Sir Thomas Lynch, our present & former governour, who about ten years ago (by advise of his majesties council there) raised the value of our current coyns about one fifth more than they will yield in any part of Christendom, so that none care to carry money off, but bring great quantities thither."

† See *infra* for the similar rating of an English sixpence and a Spanish real in 1738, notwithstanding the depreciation of this latter coin from the eighth to the tenth of a "Piece of Eight" *See* also under Gibraltar

‡ The rating retained for the *Peru* Piece of Eight in 1681, *vide infra*.

1 *s.* or more under its current rating in neighbouring Colonies. This led to clipping in Jamaica, and was the chief cause of the successive raising of the "currency" ratings of the Piece of Eight throughout the New World.*

(i.) Prior to 1704.

From a letter of Governor Sir Thomas Lynch to the Board of Trade and Plantations, dated 10th March 1671 (*i.e.*, only 16 years after the capture of the island), it appears that, at some time between the 1st and 15th February 1671, the Assembly "dispatched an Act for making peeces of 8 Currant at 5 *s.*" In the autumn of the same year the Council took the matter up, and passed the following Order:—

"By the Governour and Councill.

"Whereas I have with the advice of his Majesties Councill, taken into serious Consideration the great Want of mony in this Island, meerly occasioned by makeing it currant below the Intrinsick value, and so much beneath the Standard of all our Neighbours,† who thereby use all advantage to draw it to them, because it advances clearly 20$^{li.}$ ℔ Cent. when they bring it home, and by that meanes our goods and other Produce of this Island are not so much in demand, whereby the Planters have been very much discouraged from the makeing of them, w^{ch} hath infinitely obstructed and retarded the Settlement of this Island, for y^{e} prevention of which great mischeif and inconveniency, and for y^{e} better encouragement of bringing mony hither and causeing plenty of it to be kept amongst us, wherein the Interest of this Island doth so much consist. Its therefore ordered by and with the advice and Consent of his Majestyes Councill, that peices of 8, and half pieces of 8, being Pillar, Sevil, or Mexico, be raised to five shillings, and two^{s} and six^{d}, and all other Spanish mony of that Coin proportionably: and that Doublons‡ now passing at 16^{s}: be recd. currant at 20^{s}: This advance to begin within 6 months after the date of this order."

This order was "read and published at the Grand Court held at St. Jago the last Tuseday in October 1671." The six months' notice given by this Order defeated the object of this early legislation in currency, much to the pained astonishment of its authors. Hence, two months later (on 21st December 1671), the Governor in Council was forced to issue an amending Order, of which the following is an extract:—

"Whereas it hath since appeared that severall upon the hopes of making 25 ℔ cent. by this advance hord up their Spanish mony, whereby Trade is very much lessned and abated, and mony not being currant the Merchants are enforced to sue the

* *See* page 8 *et seqq.*

† Barbados had raised the rating to 5 *s.* in 1668, and Jamaica was following suit in self-defence.

‡ This is one of the earliest extant records of gold coins in Colonial enactments, and is a proof of the metallic wealth of Jamaica at this early date. The "Doublon" referred to, is, of course, the "Pistole," or gold equivalent under the Spanish monetary system of $4, whence its Jamaica rating at 16 *s.* before 1671, and at 1 *l.* afterwards

Planters, who not haveing ready mony to answer y^ir Demands will be compelled to make disadvantageous Contracts, infinitely to their prejudice and Loss: To y^e Intent therefore that a convenient Remedy may be applyed to both these Inconveniences, and that mony may for the present more freely pass, the better to support our Trade, It's therefore ordered by and w^th y^e advice and Consent of his Majestyes Councill That the former order imediately take place, and that Doublons and all spanish mony being either Pillar Sevill or Mexico be received and paid currant at y^e rates therein mentioned: but that all Debts formerly contracted be discharged and paid at the rate of 4*s.* 6*d.* p p^ce of 8, or in Doublons at 14*s.* 6*d.* being the intrinsick value of both."

In 1678 the Lords of the Committee for Trade and Plantations advised Charles II. to establish a Mint in Jamaica for the encouragement of trade, the coins to be current only in Jamaica. But this advice was not taken, the feeling against the unauthorised mints in New England and Maryland militating against any proposal for a colonial mint. It may be added that a Mint report to the Treasury of 19th January 1691 states that "the great and repeated applications which were made to their late Ma^ties (*i.e.* Charles II. and James II.) for obtaining of such a Priviledge were ineffectuall."

In 1681 the Act 33 Car. II. cap. 19, was passed in the Island, and subsequently approved by the King in Council on 23rd February 1682, for the purpose of "ascerteyning y^e value of forrain coyns and establishing interest." The first section runs as follows: "Be it enacted that each single Spanish Dubloon or ffrench Pistoll shall be Currant, and passe for twenty shillings Currant Money, each single peice of eight of Sevill, Mexico, or Piller, and each ffrench Crowne at five shillings, Currant Money, a Peru Piece of Eight at Four shillings, and all monies whatsoever of those Coynes aforesaid, shall in all payments whatsoever be proportionably rated, any Law, Custome, or Usage to y^e contrary notwithstanding."

The rating of the Peru Piece of Eight at 4*s.* is an indication of the early prevalence, and subsequent distrust, of this coin of "uncertain allay (*see* page 391). Action similar to that taken in 1681 by Jamaica had been previously taken in 1670 in the Leeward Islands, and was followed throughout the Plantations generally, so that the Peru Piece of Eight was practically demonetized in the British colonies. It is interesting to note the early familiarity of Jamaica with the Pistole and silver Écu of France, which is shown by its formal inclusion in the Act of 1681. It was not until 1694 that the Leeward Islands (which, through St. Kitts, were more intimately connected with the French colonies), formally rated the Écu on a par with the standard Piece of Eight.

In 1683 a "Supplemental and Explanatory Act" was passed, providing (*inter alia*) that "when any sugar, ginger, anotto, indigo, cocoa, cotton, or piemento, being the production of this island, shall be taken upon Writt of Venditioni expenses,—the same shall be carried to Port Royall and there be appraised by the churchwardens . . & the said goods so taken and appraised

shall by the Provost Marshall be forthwith delivered to the Plaintiff for so much money as the same shall be appraised . . and accepted by the Plaintiff as so much money effectually paid him, any former law to the contrary notwithstanding." This is the only approach in Jamaica to the system of barter which prevailed in other West Indian colonies.

There is now a considerable gap in the legislative history of the currency of Jamaica; but there are incidental references which partly supply the deficiency.

From the minutes of the Board of Trade of 21st April 1703 it appears that "the gentleman concerned for Jamaica informed the Board that the rate of pieces of eight of about 13½ dwts. is there at 5*s.*,* and those above 16[d] weight at 5 *s.* 6*d.*" This precise and definite statement is of value as proof of the practice of clipping which had its quarters in this entrepôt of specie. And it will be observed that the statement quoted shows that the heavier coins were unfavourably rated; so that it may safely be concluded that at the beginning of the 18th century the standard coin of Jamaica was a silver "Piece of Eight" diminished by nearly a quarter of its weight (17½ dwts.).

(ii.) From 1704 to 1825.

The provisions of the Royal Proclamation of 1704, and of the subsequent Imperial Act 6 Anne, cap. 57 (*see* page 414) were at first nominally observed in Jamaica by the 5 *s.* rating in force, though the maximum rating of 6*s.* per piece of eight of full weight under the Proclamation and Act was exceeded in fact, since a coin of full 17½ dwts. was worth in Jamaica about 6*s.* 6*d.* currency at the 5*s.* rating. But a few years later, at some time between 1707 and 1722, "notwithstanding a positive law" (*i.e.* the Act of 6 Anne) "to ascertain the Value of money, the people of Jamaica raised their money by agreeing to tender and receive it at 6*s.* 3*d.* the Piece of Eight." Oldmixon (from whom the above statement is quoted) goes on to record that "several merchants sent home a representation against it, and the Government was so far from giving the least countenance to the least disregard of this law, that the Lord Carteret, then Secretary of State, wrote to the Duke of Portland (then Governor of Jamaica) by His Majesty's command, in a letter dated 22nd October 1722, wherein his Lordship tells his Grace, 'that the articles of complaint in the representation deserve his Grace's most serious consideration, and the King directs his Grace to use his utmost care to see proper remedies applied. That the trade and credit of the island will be lost if the valuation of the coin be not rectified. It is (adds his

* In 1700–1 Sir Gilbert Heathcote had informed the Treasury that "a peece of 8 in Jamaica is called 5*s.*" The regular price in London of "Bills of Exchange that will be punctually paid," is stated at 115*l.* in local currency at this date. On 31st July 1701, Sir Bartholomew Gracedieu offered the Treasury 120*l.* "for the exchange of money from London to Jamaica for the services of his Majes[ties] Forces there."

But on 25th July 1701 Laurency Galdy tendered only 15% nominal premium, observing, "si nous ne metons pas un pris au dessus de 15%, c'est parce qu'avec le bruit de guerre il ce fait moings de negoce, ce qui rand l'argent plus rare a la Jamaica."

Lordship) a bold attempt, that those who have advised it have undertaken, being expressly contrary to the Act of the 6th of Queen Anne and your 47th Instruction, which I am commanded to repeat to you, should be strictly obeyed.' The Duke of Portland restored the currency to the tenure of the Act."

The explanation of the new and conventional rating of the piece of eight at 6 *s.* 3 *d.* mentioned above is furnished by the history of the *real*. When this coin represented only the eighth of a piece of eight, it had been rated in Jamaica since 1671 at 7½ *d.* currency. And the same rating was retained when the circulation of the pistareen ("provincial peseta" of Spain, *see* page 395), introduced into Jamaica, among other British colonies, the currency of "reals of new plate," two of which went to the pistareen, and 10 to the piece of eight (or "dollar," as the coin began to be commonly called early in the 18th century). With the adoption of the new real as a basis, Jamaica raised the currency value of the *multiples* of the real; and so the "piece of eight," or dollar, passed not for 5 *s.* (7½ *d.* × 8) as heretofore, but for 6 *s.* 3 *d.*, *i.e.*, 7½ *d.* × 10. But, accepting Oldmixon's statement that the Duke of Portland restored the currency "to the tenure of the Act," this rating of 6 *s.* 3 *d.* must have been confined to the new real, and to its mutiple the pistareen, leaving the standard piece of eight and its old Mexican fractions of a half, a quarter, and an eighth, to pass by weight according to the provisions of the Proclamation of 1704. Apart, however, from the fact that Oldmixon merely quotes a pamphlet of 1740*, and apart from the fact that a gap in the records makes it impossible to refer to original testimony to substantiate his statement, there is evidence that the 6 *s.* 3 *d.* rating was in force a few years later, not only for the pistareen (as the fifth of a dollar), but also for the dollar itself. And, as will be seen subsequently, in connection with the year 1772, the old light pieces of eight continued to pass current (as tokens) for many years at the 5 *s.* rating of 1671. The evidence as to the subsequent 6 *s.* 3 *d.* rating of the new dollar is derived from an anonymous and undated tract (probably of 1738), entitled, "The Importance of Jamaica to Great Britain," which supplies the following scheme of the ratings in force in Jamaica by 1738 :—

	£.	*s.*	*d.*
1 ryal or bitt†	–	–	7½
1 sixpence‡	–	–	7½
1 shilling‡	–	1	3
10 ryals or 1 dollar§	–	6	3
30 „ 3 dollars or one pistole‖	1	3	9
46 „ 1 guinea	1	8	9
62 „ 1 moidore	1	18	9

* By Mr. Wavell Smith, secretary of the Leeward Islands, and entitled "Two Letters to Mr. Wood."

† By an indelicate anecdote the writer explains that this name was in vogue among the Creoles.

‡ These ratings of sterling coins are interesting, in connection with the rating of the real, as relics of the original equivalence of the real and a sixpence.

§ *i.e.* the new coins of 1726.

‖ Properly 1 pistole=4 dollars. This anomalous rating indicates clipping of the gold coin.

The anonymous author observes that, "no part of the money they get from the Spaniards, except pistorines, a base coin, stays with them." And, later on, he says, "Besides its commodities great quantities of Spanish coin have been returned from this island, the planters not reserving a bit for their own use except pistorines, nicknamed by them *Don Patiño's** *Money.*" Unfortunately, Jamaica would not appear to have reported to the Board of Trade and plantations in 1740 as to its currency, and no precise evidence is forthcoming to show the extent to which clipping prevailed as regards gold coins. But, as may readily be inferred from the above rating of a pistole at only 23 *s.* 9 *d.*, as against a rating of 6 *s.* 3 *d.* for the new silver dollar, the current gold coins of 1738 must necessarily have been diminished in weight. And there is the positive evidence on this point afforded by Long's statement in 1774 (*see infra*, page 104), as to the continued currency even at that date of light "hammered gold pieces," *i.e.*, coins dating back to before the great Spanish re-coinage of 1726. Analogy with other West Indian colonies suggests that early in the 18th century Jamaica probably passed from a silver to a gold standard of value, a view which is supported by the prolonged circulation in the colony of the clipped gold coins of earlier date than 1726; but, in the absence of definite information as to the weight of the current gold coins, it is impossible not to accept the statement of 1738, quoted above, that pistareens formed the circulatory medium, and were therefore the real standard of value within the island at that date.

The plentiful supply of coin which Jamaica had always enjoyed had in practice saved the colony from the inconvenience of barter. But ever since 1683 sugar, &c. (of local growth) was required to be received at the market rates upon "Writ of Venditioni expenses." This obsolete usage proving inconvenient, the provision was repealed in 1751 by the Act 24 Geo. 2, c. 19, at the instance of the (creditor) merchants, providing that henceforth "no other payment shall be allowed and deemed a good payment in law but in current coin of gold or silver, unless in such cases where both partys agree for payment in sugars and other produce of this island, or in discharge of debts contracted before the passing of this Act."

On 11th November 1758 the Assembly passed "an Act for ascertaining the value of Spanish milled money, and for rendering the payment of debts more certain." The preamble recites that "those several species of Spanish coin which had a certain price or value put on them, and were made current in this island by virtue of (the Act of 1681) are now greatly decreased in quantity from the nature of our trade to the northern colonies, and for the want of the usual supply by importation from the Spanish coast, none of that species having been made there for several years past, and the small quantity now left being greatly debased by fraudulent clipping . . . There has been for some time past an importation of new species of coin as well gold as silver

* Don Patiño was successively colonial minister and finance minister of Spain under the Bourbons at the beginning of the 18th century.

from the Spaniards made by them instead of the former, commonly known by the name of "milled money;" but, as no fixt or determined value is put on them, they are in a great measure useless in the carrying on commerce from the uncertainty, and by their not being made current cannot be legally taken by the Receiver General in payment of taxes." Accordingly, it was provided that "a fixt value or rate shall be put on a certain number of each species of the said milled money as well gold as silver, amounting altogether in value to 100,000 *l.* and no more, and that is to say":—

"The value of	5 *l.*	shall be put on		2,000	milled	doubloons.
„	2 *l.* 10 *s.*	„	„	3,000	„	2-pistole pieces.
„	1 *l.* 5 *s.*	„	„	10,000	„	pistoles.
„	12 *s.* 6 *d.*	„	„	8,000	„	half-pistoles.
„	6 *s.* 3 *d.*	„	„	11,072	„	quarter-pistoles.
„	6 *s.* 8 *d.*	„	„	60,000	„	dollars.
„	3 *s.* 4 *d.*	„	„	60,000	„	half-dollars.
„	1 *s.* 8 *d.*	„	„	120,000	„	quarter-dollars.
„	10 *d.*	„	„	320,000	„	rials.
„	5 *d.*	„	„	320,000	„	half-rials.
„	2½ *d.*	„	„	147,840	„	quartiles or quarter-rials."

"In order to ascertain the said number of each species; Be it further enacted that each of the said pieces be stamped or marked with the letters GR on both sides of each piece, and after such stamp or mark be put on them they shall be deemed current money of the island." The Act proceeds to appoint commissioners for the superintendence of the stamping, and concludes by providing that, "All debts now due in this island shall be paid in such manner as if the exchange between this island and Great Britain were at the time of such payment 40 *l.* per cent., that being the present rate of exchange.

The statement in the preamble of the above Act as to the "trade with the northern colonies" (of America) is explained by Long* as follows: "The island was drained extremely low by the sudden current the silver took to Hispaniola on opening their ports there, and the harbour of Monte Christi, to our illicit traders"; and Alderman Beckford stated in evidence before the Board of Trade and Plantations in 1760, that "the nature of the trade with the northern colonies exhausted their cash, the traders from which, in return for their lumber, take only a small part in produce, but chiefly cash, with which they go and purchase a cargo at the French or Dutch islands at 50 per cent. advantage. This cannot be prevented by raising the nominal value of the

* *History of Jamaica*, 3 vols.; London, 1774 (published anonymously).

coin, for all commodities will rise in proportion. The marks (*i.e.* the stamp G.R.) will certainly be counterfeited." From the evidence of Mr. Elletstone before the same board, on 29th February 1760, it appears that "*the effect of the Bill has been to raise the price of dollars to* 6 *s.* 6 *d.*, at which they are now passed and taken by common consent, so that no more than 12,000 *l.* has been stamped."

The evidence taken by the Board of Trade, and the advice of the law officers, led the board to recommend the disallowance of the Act. But its provisions were conventionally observed notwithstanding—(1) the dollar passing thenceforward not, it is true, at the full rate of 6 *s.* 8 *d.*, but at 6 *s.* 6 *d.*, whilst (2), in the words of Long, "the milled double doubloons having been raised by an act of assembly 5 *s.* each above the hammered, have continued over since at this advanced rate by general consent of the inhabitants." Long adds that "a great temptation therefore offered to the debasers of coin; this was naturally to be expected, and accordingly happened. Mints were set at work in the Northern and in the Dutch and other colonies, to say nothing of the industrious coiners of Jamaica, who to gain these *per cents*, and as much more as they could, poured in so great an abundance of base doubloons as to interrupt the commerce of the island."

The statements of Long in 1774 as to the circulating currency of Jamaica prior to 1773, is summed up in the following tabular form:—

Gold.	Weight.	Current Value.
	Dwts. grs.	£. *s.* *d.*
Spanish "double doubloon," milled -	17 8	5 – –
Ditto ditto hammered - -	*	4 15 –
Ditto "doubloon," milled - -	8 16	2 10 –
Ditto ditto hammered -	- -	2 7 6
Ditto pistole, milled - - -	4 8	1 5 –
Ditto pistole, hammered - - - (half and quarter pistole proportionately.)	- -	1 3 9†
English guinea - - - - - -	- -	1 8 9†
Portuguese moidore - - - -	- -	1 18 9†

* "I have not noticed the weights of the *hammered* gold or silver pieces' their alloy being different from the other marketable milled pieces, and so much clipped, filed, and depreciated, as to be greatly below the value at which they are suffered to pass current."—(*Long*).

† *i.e.*, the ratings mentionod in 1738.

Silver.	Weight.	Current Value.
	Dwts. *grs.*	*s.* *d.*
Spanish milled, or Mexican, dollar* - (half, quarter, and eighth in proportion).	17 8	6 6
"Cobs,† or hammered pieces of 8" -	- -	5 –‡
"Pieces of 4 ryals" § - - -	- -	2 6
Ditto 2 „ or pistorins - -	- -	1 3
"Ryal or bit" (also, "old ryal or bit piece.")	- -	– 7½

Reviewing the silver‖ currency of Jamaica prior to 1773, Long (who observes that the current silver was diminished 21 per cent. in weight by "clipping villains") states that "the pistorins and half pistorins, if of full weight, are not fit for a remittance to Europe, as they are coarse silver; *their baseness is sufficiently distinguished by their black complexion.* For this reason they have escaped the fate of the better coins, and are permitted to remain in the island, where, together with the old hammered dollars, pieces of eight, and ryals, which are so much diminished by wear, clipping, and sweating, as not to be exportable,¶ they form the chief part of the silver in present circulation. . . There are industrious Jews in this island, who carry on a profitable business by purchasing dollars with ryals of the old plate, which are of bad quality. According to the present denominations of the currency, a single dollar of 6 *s.* 6 *d.* passes in exchange for 10 ryals, which, at 7½ *d.* each, amount to no more than 6 *s.* 3 *d.*, or 3 *d.* per dollar loss to the person who changes for these ryals. . It is not surprising that the dollars should eagerly be bought up with these pistorins or ryals for exportation, but rather, as the profit is so large, we should wonder that a single milled dollar, of full weight, remains in the island; for 624 of these ryals, intrinsically not worth more than 17 *l.* 14 *s.* 4 *d.*, will buy 60 dollars intrinsically worth here 19 *l.* 10 *s.* currency. There is no country, perhaps, where the coins in circulation are more in need of a strict examen and reformation than in this island."

* "Generally of full weight."
† "From *coba*, Spanish cant word for real."
‡ *i.e.* the old rating of 1671.
§ *i.e.* half dollars of 'new plate.'
‖ The trade with the northern colonies of America, and with the Dutch of Curaçoa for mules, "drains away much of the old hammered silver, and the milled ryals."
¶ "The course of exchange between Jamaica and Britain, was formerly 35 per cent., but since raised to 40 per cent., at which it has remained for many years."

The amount of coin in circulation in Jamaica in 1772 was estimated by Long at 65,000 *l.* only. This inadequate volume of metallic currency was supplemented by "the annual orders issued by the Council, amounting to near 10,000 *l.*, and the custom of passing bonds and notes, but chiefly the former. These bonds, it must be observed, are as well a cause as an effect of the scarcity of coin. From being used at first in lieu of very considerable sums, as from 1,000 *l.* to 10,000 *l.*, they have, since their more general application to the purposes of commerce and to loans or debts from 50 *l.* upwards, gradually supplied the place of gold and silver, and allowed the latter a freer scope to pass out of the country." He goes on to say that, even though they bore 8 to 10 per cent. interest, these bonds were not cashed except at a discount on their par or face value, and that this showed a want of specie on the island.

The conventional rating of Spanish gold at 5 *l.* the doubloon was legalised in 1773, and the currency of Portuguese gold encouraged by the important Act, 14 Geo. III., c. . 18, which was probably framed in connection (i.) with the lowering in 1772 of the Spanish standards of fineness, (*see* page 396), and (ii.) with the importation from America of counterfeit coins. The following table gives the weights and currency values of the chief gold* coins to be current in Jamaica as from 1st January 1774:—

Description.	Weight.	Currency Value.
Spanish:	Dwts. Grs.	£. s.
Double doubloon, or 4 pistole piece	17 8	5 –
Doubloon, or 2 pistole piece -	8 16	2 10
Pistole (half and quarter pistoles in proportion) - - - -	4 8	1 5
Portugal:		
Johannes - - - - -	18 12	5 10
Half Johannes - - - -	9 6	2 15
Moidore - - - - -	6 22	2 –

"and so in proportion for each greater or smaller piece of said coin." It will be observed that the above ratings of full

* Nothing is said of *silver* coins in the Act.
French gold pieces of 2, 1½, 1, and ½ pistoles were to be current at the same rates as the Spanish coins of the same weights. But as the French standard was 22 carats fine, whilst Spanish coins were only 21¾, French gold could not circulate in competition with the old coins of Spain.

weight coins work out to 2·884 *d.* per grain for Spanish gold, and to 2·973 *d.* for Portuguese gold. Taking the millesimal fineness (by assay) of the Spanish coin to be 893, and of the Portuguese 916·⅔, a premium of ·159 *d.* per grain was set by the Act of 1773 on the latter, as between coins of *full* weight of the two nationalities. Further, an important provision was laid down in 1773 for the first time in Jamaica by the deduction of "threepence for every grain weight so deficient." This provision, it will be seen, imposed a relative penalty on *light* Spanish gold as compared with *light* Portuguese coin.

After passing the above Act it was found necessary, before the close of 1773, to call in the clipped unmilled Spanish gold, which formed the bulk of the internal circulatory medium at this time. The Act of 31st December 1773 prescribed that the old light gold should be received by special commissioners, who were to weigh the coin and to exchange it at the rate of 4 *l.* 15 *s.* for a doubloon weighing not less than 13 dwts.*; thus incidentally indicating to what a length clipping and sweating had gone in reducing the weight of the internal currency. It will also be observed that this weight of the clipped gold doubloon is practically that to which it was stated, 70 years before, the weight of the old piece of eight had been reduced in Jamaica. It may not be too much, perhaps, to infer that, as in the seventeenth century, so in the eighteenth up to 1773, clipping of the standard coin reduced the weight by 25 per cent.

Experience justified Long's anticipation in 1774 that "this measure . . . will be the means of introducing a large quantity in particular of the Portuguese coin." But the inconvenience of under-rating Spanish coin, as compared with Portuguese, in an island which at that date was necessarily included, both by geographical position and by trade relations, in the currency area of Spanish America, speedily led to the conventional raising of the currency price of the Spanish doubloon and Spanish dollar to 5 *l.* 5 *s.*, and 6 *s.* 8 *d.* respectively. And this 5 per cent. advance in the local rating of Spanish gold was enhanced over 3½ by a subsequent change in the monetary system of Spain. For, in 1786, though the gross weights were left unaltered, the standard fineness of the Spanish gold coins was reduced from 21¾ to 21 carats. But, notwithstanding the relative premium thus placed on Spanish gold†, Jamaica proceeded at some date between 1803 and 1808 to adopt in the local currency system the Spanish ratio of $16 = 1 doubloon. Retaining as the basis the convenient rating of the dollar at

* In order to "sink and divide in the most easy and equitable manner the loss that will be sustained" in calling in the old light gold at its current valuation, and in re-issuing it "at a certain and reasonable value agreeable to their respective weights," only three-fourths of the agreed value was payable in cash, the remaining quarter being exchanged for tickets in a lottery (10,000 tickets at 5 *l.*), which offered "1,086 fortunate tickets," qualifying for prizes which ranged as high as 5,000 *l.*, but were subject to a 20 per cent. deduction by the Colonial Government.

† It is the maintenance of Spanish gold as the standard in Jamaica which distinguishes the currency history of the island from that of the West Indies generally, in which light "Joes" formed almost the entire circulation.

6 *s.* 8 *d.* (which admitted of the rating of the Mexican real at 10 *d.*, and made $3 equal to the £. currency), Jamaica raised the local price of its standard coin the doubloon, from five guineas to 5 *l.* 6 *s.* 8 *d.* For the details of the above transitions, there is the evidence (i.) of Bryan Edwardes in his "History of the British West Indies," writing with reference to 1788, (ii.) of R. C. Dallas, whose "History of the Maroons" is dated 1803, and (iii.) of an anonymous "Account of Jamaica," published in 1808. Their statements are summarised in the following comparative Table* :—

Description of Coin.	1773. Long.	1788. Edwardes.	1803. Dallas.	1808. Anon.
Spanish:	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Real or Bit	– – 7½	—	—	– – 7½
Pistareen	– 1 3	—	—	– 1 3
Dollar	– 6 6	– 6 8	– 6 8	– 6 8
Pistole	1 5 –	1 6 3	1 6 3	1 6 8
Doubloon	5 – –	5 5 –	5 5 –	5 6 8
Portuguese:				
"Half Johannes" (so called)	2 15 –	2 15 –	2 15 –	2 15 –
English guinea	—	1 12 6	—	1 12 6†

The net result of the Act of 1773 had been to purge the island of its old mutilated gold coin, whilst the conventional rating of the doubloon at 5 *l.* 5 *s.* re-established Spanish gold before 1788 as the local standard of value, a position which was further strengthened within the next twenty years by the equally conventional increase to 5 *l.* 6 *s*, 8 *d.* of the local rating of the new, and intrinsically less valuable, doubloon. Prices, it is true, were uniformly quoted in dollars; but a "dollar" in payments meant one-sixteenth of a gold doubloon. Scarcely had the local system of currency been adjusted on this basis, when events outside Jamaica combined to drain the island of its specie, and to cut off fresh supplies.

"Ever since the great increase of the value of bullion in Great Britain," wrote the agent for Jamaica in 1817, "the small silver coin‡ have composed nearly the entire of the circulating species in the island (say 200,000 *l.*), the gold coins and dollars having nearly all got out of circulation, being remitted to England and a neighbouring island for commercial purposes . . . In commerce dollars are purchased in Jamaica to the extent of millions per

* So also Stewart's "View of the Past and Present State of the Island of Jamaica" (1823), and Kelly's "Universal Cambist" (1826). Stewart states that the pistareen and bitt were rare in 1823.

† Stated to be of rare occurrence in Jamaica.

‡ It became the custom to make up paper parcels of Mexican silver coins, endorsed as containing a specified sum; and these parcels passed from hand to hand, without counting, for considerable sums of money. Naturally, inferior coins were selected for these parcels. In 1824 the Commissary refused to accept them, as he found them to contain "bits not worth half 7½ *d.*, together with plain pieces of base silver resembling old shillings and sixpenses, of no coinage whatever, French coins, and bad dollars." (Cf. Zay pp. 67 and 84).

annum as bullion and exported. For this object a higher and fluctuating rate is occasionally given by merchants for them."* After stating that "coins in Jamaica form a prime article of trade," and that there was a constant stream of coin into and out of the island, the agent observes that "the coins current in Jamaica are rarely or never much worn, damaged, or reduced in weight below their original value." The bit, or 7½ *d.* piece, which was rapidly disappearing before the Mexican fractions of the dollar† (rated proportionately to the latter), was an exception. But Stewart, who also states, in 1823, that "very few of the Spanish coins are deficient in weight," records that the Portuguese gold coins in circulation were light. The obvious explanation of the latter statement is that, after encouraging the importation of "Joes" in 1773, Jamaica had left their rating unaltered, whilst increasing the relative rating of Spanish gold; and this penalty, augmented by the reduction in the Spanish standard for gold coins in 1786, actually put a premium of about ¼ *d.* currency per grain on clipping such Portuguese gold as had not been driven from the island.

Such, then, was the state of currency in Jamaica in the early years of the present century. With the outbreak of the revolutionary war in Mexico, the bullion trade, which had kept the island plentifully supplied with coin, was stopped; and Jamaica was reduced to a circulating medium composed mainly of small Mexican silver coins, the worst of which passed in parcels, whilst the better specimens circulated by tale.‡ By 1822, for the first time in the history of Jamaica since its capture in 1655, the metallic currency of the island had proved inadequate to meet the requirements of trade. In this year the Assembly resorted to the ruinous system of issuing unsecured paper money in order to carry on the Government. And under annual Acts further issues were made, with the natural result that, as early as 16th April 1825, the Receiver General wrote: "Gold I have not; nor has a single doubloon, or any other gold coin, been paid to me for many weeks."

* So, too, in 1815, the Island Government wrote that "Spanish gold coins are seldom exported when dollars can be procured."

† The agent remarks that the Mexican quarter-dollars were called "Maccaroni pieces." Can this be a negro corruption of *Mejicani*? Or is it a representative of *maccochino*, a word still used in Venezuela to mean "cut money"? In support of this latter view is the use of "macuquina" in Trinidad (*q.v.*) for the local cut-money. It will be seen subsequently that the name Maccaroni was transferred to the British shilling (rated as a quarter-dollar), and was in vogue in British Honduras. Apparently, the word "moco" (used for cut-money in the St. Lucia) is an abbreviation of the same word.

‡ Consequently, when, in 1822, "anchor money" was struck in England for the West Indian Is. in pieces of ½, ⅛, and $\frac{1}{16}$ of a dollar (*see* page 21), the Governor of Jamaica pointed out that these coins were not wanted in this island, as "there is at present the greatest abundance of this description of coin under the denominations of 'maccaronies' (viz., 20 *d.* pieces, 10 *d.* pieces, and 5 *d.* pieces), and *almost all payments which are not of magnitude are paid in such coins.*"

(iii.) From 1825 onwards.

It was at this juncture that the Order in Council of 23rd March 1825 (*see* page 23) was brought into operation in Jamaica, and the other British colonies, for the purpose of introducing British silver and copper* coins into general colonial circulation. A sum of 35,000 *l.* in British silver was imported into Jamaica in 1825–8 by the Commissariat; and further confusion was thereby introduced into Jamaica currency. Owing to the scarcity of coin in the island, the shilling by common consent passed—from the planter to his negroes in the first instance—not at its proclaimed rate of three-thirteenths of a dollar (1 *s.* 6·47 *d.* currency) but as a "quarter-dollar"† (or 1 *s.* 8 *d.* currency), and other British coins in proportion. It is true that a judicial decision (Stevenson *v.* Smith) affirmed it illegal to pay debts of 1 *l.* currency with 12, instead of 13, sterling shillings; but none the less the Kingston merchants, and people generally, agreed to receive the shilling as a quarter-dollar. Thus, by convention, the dollar‡ was under-rated at 4 *s.* sterling, and the (Mexican) real at 6 *d.*; and it is interesting to note that these conventional ratings of the 19th century were identical with the equally conventional ratings with which the currency of Jamaica originally started nearly two centuries before. In 1832, taking advantage of the popular over-rating of the shilling, the Colonial Government established the local supremacy of sterling by obtaining the Imperial loan of 200,000 *l.*, granted in that year, in British silver. The result was that in 1836 the local Commissary reported that "the only small change which can be procured is the British shilling and its sub-divisions,§ the small Spanish coins having nearly disappeared."

To return to the question of paper money, the issue of the island cheques outstanding on 27th October 1828 was over 350,000 *l.*; and this sum had grown to about 400,000 *l.* in 1837, according to the local Committee of that year on the monetary system of the island. On 8th July 1838, the Governor wrote that "the demand for money has occasioned a heavy run on both banks, and these have resorted to the Receiver General to get the Government checks cashed; but he having no cash, a com-

* The aversion of the negroes to copper coins led to the profitable export by speculators of the consignments of 1825 and later years. Up to 1825 no baser metal than silver had been current in Jamaica, and the smallest silver coin was a half-real or "fivepence"

† Hence the negroes transferred the name "maccaroni" to the British shilling (cf. British Honduras, page 141). The term "mac" for a shilling is used by the negroes at the present day; *e.g.*, "a mac and fipence" (currency) denotes 1 *s.* 3 *d.* sterling.

‡ By Local Proclamation of 25th June 1834, the dollars of the South American Mints, "new dollars," were placed on the same footing as the old pillar-dollars of Spain. But this step was ineffectual so far as the general currency of Jamaica was concerned.

§ In accordance with a Resolution of the Assembly of 4th July 1834, British silver, 3 *d.* and 1½ *d.* pieces, were imported in that year. Further supplies of the latter coin, which, under the name of "a quatty," still remains popular in Jamaica, were made on several subsequent occasions, the last coinages having been 1,600 *l.* in 1860 and 1,600 *l.* in 1862.

promise has been come to, allowing 6 per cent. interest on those checks. *We are, in fact, in a state of bankruptcy.*"

The bankruptcy of the local Government, and the currency of British silver coins, the only metallic circulating medium remaining,* led to pressing appeals to the Imperial Government for currency reform, and to the passing of a Local Act on 15th November 1837 (i) limiting the tender of British silver to 5 *l.* currency,† and (ii) formally rating the shilling at its conventional value of 1 *s.* 8 *d.* currency. This Act was disallowed in 1839, as in 1838 the general policy of the Order in Council of 1825 had been reviewed by a Board of Trade Committee, with the result that by Order in Council and Proclamation of 14th September 1838 (*see* page 27), the doubloon and dollar were rated (for the West Indies and British Guiana) at 64 *s.* and 4 *s.* 2 *d.* sterling respectively. Accordingly, under the Local Proclamation of 5th November 1838 (approved by Order in Council of 3rd May 1839), the following currency ratings were prescribed for Jamaica, viz.:—Shilling, 1 *s.* 8 *d.*; dollar, 6 *s.* 11½ *d.*; doubloon, 5 *l.* 6 *s.* 8 *d.* The currency basis chosen was the doub' on at its old conventional rating; and from this, the true metallic standard, the relative ratings of the dollar and shilling were deduced, a trifling over-valuation being given to the shilling. But instead of retaining the needless complications of "currency," Jamaica, in 1839, passed an Act (3 Vic. cap. 39) enacting—

(1.) That, as from 31st December 1840, the currency of the United Kingdom should be that of Jamaica.‡

(2.) That existing contracts in local currency should be settled at the rate of 166 *l.* 13 *s.* 4 *d.* Jamaica currency for every 100 *l.* sterling; and

(3.) That from the same date "the doubloon shall be deemed a legal tender at and after the rate of three pounds four shillings; the silver dollar shall be a legal tender at and after the rate of four shillings and twopence, and the several sub-divisions of those coins at and after the same rates, and the gold and silver coins of Great Britain and Ireland shall be legal tenders to any amount at and after the rates they pass current at in Great Britain and Ireland."

* In his evidence before a Board of Trade Committee in 1838, Mr. Colville stated that "the dollar bears a premium, beyond that upon the doubloon, of 2 to 3 per cent.; but the premium upon dollars has been as high as 7 per cent., as compared with the paper; that is, when you possess yourself of paper, and you require dollars or doubloons to carry abroad for foreign payment, you could only get them at that premium." And he added "the only currency to be seen now in Jamaica is the island cheques, the bank notes, and the British shilling and sixpences." Similar testimony will be found in McQueen's "Letter to Lord Glenelg" on West Indian Currency (London, 1838).

† *See* also under Barbados and Trinidad for similar evidence of the far-sighted objections entertained at this date to admitting silver tokens to unlimited tender.

‡ The term "Bit" is still, however, in constant use among the negroes to denote 4½ *d.*; "mac," as has been noted above, is their name for the shilling; and the old currency denominations are preserved by them in speaking of (*e.g.*), a threepenny piece as "fipence." Cf. Honduras and the Bahamas.

The last provision (3) is important, as it temporarily entailed difficulties with regard to the dollar in later times, and as it has permanently left Jamaica stocked with British token silver, and denuded of gold.

In 1841, the local Act 5 Vict. c. 28 repealed so much of the 10th Section (quoted above) of the 1839 Act as declared the sub-divisions of the dollar * a legal tender. In the following year, by the Act 6 Vict. c. 40, currency was formally given to British copper coin, within the limit of 1 *s.* legal tender. In 1841, by the Act 7 Vict. c. 5, the original Act was further modified, so as to limit to 40 *s.* the legal tender of British silver coins smaller than the sixpences, "to wit, four-penny, three-penny, two-penny, and penny-half-penny pieces," though "the crown, half-crown, shilling, and sixpence shall continue and be in this island a legal tender to any amount." All these three steps, though inadequate, were steps in the right direction towards perfecting the currency system of the island.

In 1852 the Colonial Bank represented that the whole amount of British silver in circulation in Jamaica was about 391,000*l.*, of which only some 17,000 *l.* (net) had been imported by the bank.†

On 19th August 1853, a Royal Proclamation (*see* p. 28) authorised the circulation of the gold coins of the United States concurrently with sterling at the following rates: — Eagle, 2 *l.* 1 *s.*; Half-Eagle, 21 *s.* 6 *d.*; Quarter-Eagle, 10 *s.* 3 *d.*; Gold Dollar, 4 *s.* 1 *d.* The Royal Proclamation was brought into force in Jamaica by the Governor's Proclamation of 19 October 1853. Multiples of the Eagle were to be rated proportionately to the Eagle by Order in Council and Proclamation of 9 March 1854, brought into operation in Jamaica on 12 May 1854. Considerable sums in United States gold are introduced into the island by shipments from the Isthmus of Panama and South America generally. This gold, which passes at the legal rates, speedily finds its way into the Bank's hands, and thence to New York—frequently in August and September, when sterling bills are cheap. It is such exports of United States gold that make up nearly the whole of the exports of bullion from Jamaica.

The gold coins of the Sydney Mint were made legal tender in Jamaica under the Royal Proclamation and Order in Council of 10th November 1866 (*see* page 29).

Dating from about 1850, dollars had ceased to circulate to any considerable extent; but, a quarter of a century later, the fall in the gold-price of silver made it profitable to import Mexican dollars into the West Indian Islands; and in 1876 the question became acute in Jamaica. To obviate the danger of re-establishing the silver dollar as the local standard of value, the

* *See* also the Royal Proclamation of 1863, brought into operation in Jamaica by the Governor's Proclamation of 23rd October 1863.

† *See* page 10 of Parliamentary Paper No. 268 of 1853.

Island Legislature passed Law No. 8 of 1876,* demonetising the dollar and its sub-divisions. Thus the shilling was finally re-established as the practical standard of value in Jamaica.

As copper and bronze coins were far from popular in an island unaccustomed to a baser metal than silver, nickel pence and half-pence were authorised to be struck for Jamaica by the Order in Council and Royal Proclamation of 11th November 1869, and by the Local Acts Nos. 35 and 49 of 1869. Their limit of legal tender was fixed at 1 *s.* for the pence, and 6 *d.* for the half-pence. And by Law No. 13 of 1880, nickel farthings were authorised. Finally, by Law No. 11 of 1882, confirmed by the Order in Council of 17th May 1882, all copper and bronze coins were demonetised in Jamaica, and in the Turks and Caicos Islands, and the nickel coins substituted exclusively.†

The amount of silver coin in general circulation in Jamaica on 31st December 1891 was estimated at 320,000 *l.*,‡ the amount of notes of the Colonial Bank§ in circulation at the same date being (perhaps) 160,000 *l.* Taking the population at (in round figures) 640,000, this gives a total of (say) 10 *s.* in coin, and 5 *s.* in notes, or 15 *s.* in all, for the "active" circulation per head.

* This Act was extended to the Turks Islands by the Law, No. 10, of 1880. In these latter islands, as a result of their earlier connection with the Bahamas, the United States silver half-dollar is current at 2 *s.*, and the quarter-dollar at 1 *s.*, under Proclamation of 14th September 1866. The sterling system was introduced into the Turks Islands by the Act of the Bahamas, 2 Vict. c. 4.

† According to page 106 of the Twenty-second Annual Report of the Deputy Master of the Mint, the total nominal values of the nickel coins struck from 1869 to the end of 1891 have been as follows: Pence, 3,200 *l.*; half-pence, 3,450 *l.*; farthings, 1,600 *l.*; Total, 8,250 *l.* Thus, the nickel coinage is equal to a trifle over 3 *d.* per head of the total population.

‡ Irrespective of the reserve held by the Colonial Bank in the island, and of the probably considerable hoards buried by the negroes. These further items would perhaps equal, together, the amount of coin estimated in the text as being in general circulation.

§ Notes do not circulate among the coloured population, who only use coin: they find their circulation exclusively with the commercial and well-to-do classes.

CHAPTER VIII.

TRINIDAD.

(1797.)

ACCORDING to Governor Picton, writing on 23rd March 1802, the revenue of Trinidad under Spanish rule was "noways equivalent to the expenses; but the deficit was intended to be supplied by the mines of Mexico, from whence an annual subsidy* was assigned to the Colony of $200,000 to defray the expenses of its Government, civil and military. But the remission of this money was very uncertain even in time of peace. . . Government was defrayed by the natural expedient of Papeletus or Treasury notes, payable to order, which the inhabitants and officers, civil and military, were obliged to receive as cash, although they publicly discounted them at a loss of from 20 to 50 per cent.; and, shameful to relate, they were often bought up by emissaries of the officers of the King's Treasury, supplied with the King's own money for that purpose."

With regard to coin, it would naturally be expected that up to its transfer from Spanish to British rule in 1797, the island would have conformed to the monetary system of Spain, and have rated a gold doubloon at $16, and a dollar at 10 bits, or reals of new plate (*see* p. 392, *note*). But, as a matter of fact, neither these ratings was in force in 1797. All calculations were expressed either in "pesos sincillos" (= dollars of new plate, *see* page 392), or in "dollars and bitts;" but *nine* bits were regarded as the equivalent of a *peso fuerte*, or Spanish dollar.† The explanation of this anomalous rating is afforded by the further anomaly that (in the words of a memorandum of 1802), in Trinidad "all gold passes for one dollar per dwt. As a doubloon weighs 17 dwts. 8 grs., its value is 17⅓ dollars, from which circumstance that coin flows into the colony, as its value in the other islands never exceeds 16 dollars, in some less." In other words, the gold doubloon‡ worth only 15⅓ dollars in the open

* This subsidy was dispatched in silver dollars from San Domingo by the *Cituada* every year.

† The local name for the Spanish dollar, among the French settlers in Trinidad when a Spanish Colony, was "*péso gordo*," an interesting admixture of the French term "*gourde*," with the Spanish *peso duro*.

‡ I have followed the contemporary memorandum rather than the Currency Committee of 1838 (*see* the *Trinidad Standard* of 23rd November 1838), who opined that "the Portuguese soon supplanted every other description of

market, was over-rated 13 per cent. in Trinidad as compared with the silver dollar, and consequently drove out the latter coin; but, in order to retain in circulation the smaller silver coins required for the retail transactions of every-day life, the price of the bit was raised from the tenth to the ninth of a dollar, with the result that, though the dollar (as such) was under-valued with regard to the gold doubloon, only 156 bits (as against 160 under the Spanish monetary system), were paid as the equivalent of the doubloon; consequently, whilst maintaining a gold standard (by weight), Trinidad had conventionally adjusted the rating of the bit so as to ensure the circulation of a subsidiary currency of small silver coins.

With the first few years of British occupation, the denomination of the money of account was assimilated to that of other British colonies in the West Indies, sums being expressed in "£. *s.* *d.* currency," as well as in "dollars and bits." And for the local rating of the dollar, Trinidad adopted the convenient "Leeward Islands currency," which prevailed at this time throughout the British West Indies, with the exception of Jamaica and Barbados. This change was introduced in 1804; after that date, the words "Leeward Islands currency" are found commonly in connection with the bills of the local commissary. The basis of the Leeward Islands currency (*see* under Leeward Islands) was the rating of the dollar at 9 *s.* currency* by the beginning of the present century; and the "Prices Current" of Trinidad (*e.g.* of 31 August 1809) uniformly speak of the "Spanish milled dollar at 9 *s.* currency." But it must be carefully borne in mind that a "dollar" in Trinidad really meant not the Spanish silver coin of that name, but the 3-52nd part of a gold doubloon (or perhaps one-eighth of a johannes). And it was this anomaly which prompted Colonel Fullarton in 1805 to claim from the Imperial Government a sum in respect of "loss on being paid one year's salary by the Treasurer of Trinidad in doubloons at 17⅛ dollars each, which sold in London for 3 *l.* 5 *s.* each."† In order to carry out the change in the local system of cur-

coin." But, at the same time, the conclusion of the Committee is in direct accord with their subsequent statement, that, after the conquest, "large contracts were frequently made in joes." On the other hand, *see* Colonel Fullarton's statement in 1805, quoted *infra*.

* Hence the old *real* or *bit* (Escalin) was known in Trinidad as a shilling. An obscure distinction seems to have arisen between the "silver bitt" (the old real), and the "bitt of twelve pence" (the ninth part of a round dollar).

† At this price in London the doubloon, rated in Trinidad at $17 would point to a gold par of 240 *l.* currency per 100 *l.* sterling; but (i) gold was at a premium at this time in London, owing to the forced currency of paper, and (ii.) the exchanges on London in Trinidad, which fluctuated violently between 185 and 210 per cent., were complicated by two causes (a) the dangers attending remittance in time of war, and (b) the fact that, owing to the large military expenditure by the Imperial Government in the island (defrayed by the sale of bills), the exchanges were highly favourable to the buyers of such bills. It is also to be remembered that the local commissaries advertised their bills for "one third in *dollars* and the remainder in doubloons."

rency General Hislop* proclaimed on 9 February 1804 the following values of coins then in circulation:—

	Currency.	
	s.	*d.*
Gold, per dwt. - - - - - -	8	3 or 8¼ bitts.
Silver:		
Round silver Mexican milled dollar (½, ¼, ⅛, and $\frac{1}{16}$, in proportion).	9	– or 9 „
Round silver piece of money called a pistareen - - - - - -	2	– or 2 „
Round silver piece of money called a bitt - - - - - - -	1	–
Round silver half bitt, or the cut silver half bitt - - - - -	–	6
Cut silver quarter of a bitt - - -	–	3

The Currency Committee of 1838 observes that "this proclamation was intended to have, and had, the effect of reducing the value of the johannes in proportion to its actual weight. . . The current value of the doubloon at this time was 16 *pesos fuertes*, or 7 *l.* 4 *s.* currency. . . Notwithstanding the great over-valuation of the doubloon in proportion to the johannes, the latter still continued to keep their ground in circulation," owing to—

(i.) The adulteration of the plugs in the "plugged joes," such plugs "amounting to from 20 to 25 per cent. of the whole weight of the coin."

(ii.) "The facility of transmitting the plugged joes to Grenada and St. Vincent where they passed current in the purchase of bills at the rate of 66 *s.* of the currency of those islands;" and—

(iii.) "The great demand for specie in Europe during the years of war seems to have materially interfered with its transmission to other parts of the world."

"Loud complaints," continued the Committee, "were constantly made as to the exportation of all the dollars; and these complaints at last became so importunate as to induce the Government to adopt certainly one of the most singular devices for the prevention of the evil which could be imagined."

"From the great rise in the value of silver at home (wrote the Governor in 1811) the merchants here have been making their remittances in dollars in preference to purchasing bills," *i.e.*, from the Commissary. It was to put a stop to this export of the undervalued silver coin that the Governor in Council

* He had previously appointed a Committee of Council, which reported on 15 October 1803, "to consider the inconvenience arising from the want of change, and to regulate the value of coins in this island."

issued his Proclamation of 19 June 1811, the preamble of which recites that "a great scarcity of current silver specie prevails in this colony, arising from the large exportations of dollars made from hence; and that the only effectual mode of diminishing such exportation and of retaining in the island a quantity of such specie sufficient for the accommodation of its inhabitants will be to permit the circulation of a certain number of cut dollars."* The Proclamation goes on to direct that an official should be appointed "to cut from the centre of all such dollars as shall be tendered to him for that purpose (not exceeding $25,000) a piece of silver equal to the value of one shilling current money of this island" (*i.e.*, one bitt), and that such piece of silver shall be delivered to the person tendering the dollar to be cut, and shall pass current for the sum of one shilling. And each and every such dollar which shall have been cut in manner and under the directions hereintofore for that purpose contained, shall continue to pass current throughout the colony for the sum of nine shillings; and the said pieces of silver so to be cut therefrom are hereby declared to be a legal tender throughout this Government."†

"The colony," wrote the Governor on 30 July 1811 to Secretary the Earl of Liverpool, "has already experienced great benefit by this measure, and I am confident it will be ultimately of the greatest advantage to the mercantile interest." Unfortunately, the records do not show what criticism the noble author of *The Coin of the Realm* passed on this fatuous anticipation of the Governor.

The central disc‡ cut out of the dollar under the above Proclamation of 1811 was circular with a crenated§ edge, and with the colony's initial "T" stamped upon it. Hence it was known as the "T Bit"; another name was "Macuquina"‖ (which, however, grew to be an elastic term covering the fragments of the silver coins of all nations not current by tale in the colony). As is shown by the "Prices Current" of the day, the above measure of 1811 did not at first affect the current rating of the whole or "round" dollar at 9*s.*; there appears to have existed

* It should be noted that the Committee of 1803 had recommended that the dollar should be cut into 2, 4, 8, and 12 parts under the directions of a Committee of Council. But the governor of the day disregarded this advice, which was acted on by private individuals, as evidenced by the mention of cut fractions of a bit in the above Proclamation of 1804.

† Mention is frequently made of "stampees" or "estampés" in Trinidad in the early years of the colony, its value being 3*d.* currency, or a "quarter-bit." The *stampee* was a "dog" stamped by a colony as a defence against counterfeits, and circulated as "a dog and a half." But there is no extant evidence that Trinidad stamped its own dogs; the stampees may have been importations.

‡ "Many persons, not content with the extraction of a regular or moderate proportion of the dollar, as practised at the Colonial Treasury, employed the blacksmiths, who cut out one half of the metal in holes of all sizes and all dimensions." *Report of Currency Committee of* 1838.

§ See Ruding hereon, under the year 1811. According to Atkins (*Coins and Tokens of the Possessions and Colonies of the British Empire*, London, 1889) there are 14 crenations, and the piece is "countermarked with a T radiated" (page 324). No evidence is forthcoming to support his suggestion that in addition there were heart-shaped "cut-bits."

‖ *See* note under Jamaica, page 109.

the anomaly of rating on equal terms (i) the "round" dollar, and (ii) the "cut" dollar, which had been diminished by a ninth of its weight. But, in the course of a few weeks, the "round" dollar asserted its claim to equality of rating with the "cut" dollar *plus* the "T Bit," and was raised by Proclamation of 28 August 1811 from 9 *s.* to 10 *s.* currency value; and at the same time the doubloon, the standard coin of the island, was rated by *tale*, according to the Spanish monetary system (and general custom in the West Indies), at $16, or 8 *l.* currency. But this Proclamation of 28 August was suspended on the 31st. On 4 September the Council voted that the cut dollar should pass at 9 *s.*, and all other gold and silver coins at their *former* value, *i.e.*, the "round dollar" was to pass like the "cut dollar" for only 9 *s.* This decision was embodied in a further Proclamation of 14 September of the same year. But, notwithstanding the Proclamation, the unmutilated dollar continued to pass at 10 *s.* currency, and the doubloon at 8 *l.* by popular agreement. It was not till 1814 that Sir Ralph Woodford's Proclamation of 14 September of that year fixed the *legal* value of the silver dollar at 10 *s.* currency. The same Proclamation provided that, after a limited period, the cut dollars and T Bits should cease to pass by tale and be current only as bullion at the rate of $1, or 10 *s.* currency, for 17 dwt. 8 grs., the accepted weight of the dollar.

In 1813, in spite of the "T Bit," the Governor of the day applied to the Home Government for "a small coin for the Island currency, which is very seriously wanted here. The alloy" (he adds) "might be graduated by the calculation of the silver in the Spanish dollar at 4 *s.* 6 *d.* (its sterling value being only 4 *s.* 2 *d.*) so as to render the exportation of it a disadvantage." But, as the new Royal Mint was only in course of construction, the Board of Trade was constrained to regard the proposal as "impracticable under present circumstances." Trinidad, therefore, failed to obtain a local token coinage, and continued to suffer under the inconveniences entailed upon it by the shortcomings of the Spanish over-valuation of gold. Nor was the experiment of the Imperial Government successful a few years later when British copper coins were imported into the island.* "After a trial of six years," wrote the Governor in 1825, "the use of copper coins is limited to the transactions of the soldiers' pay and the Commissariat Department." This experience is in accord with that of other islands (*e.g.*, Jamaica), where it was similarly found impossible to secure the circulation of copper coins among the negroes. After a currency of 12 years, the "T Bit" was decried, owing to the manufacture of counterfeits. For, in 1823, as appears from the preamble to the Governor's Proclamation of 29 October 1823, "some wicked and daring person or persons have imported and endeavoured to circulate a large quantity of base and counterfeit coin in imitation of the T Bit now current in the said island, by strewing the same in large

* Under proclamation of 28 May 1819, by which 56 Tower pence (or 112 half-pence) were ordered to pass as the equivalent of "a Spanish round dollar," with a $\frac{1}{4}$ limit of legal tender. The undervaluation of the copper coins would in any case have debarred them from circulation.

quantities in the public streets, &c., in the Town of the Port of Spain." Consequently, it was ordered by the Proclamation that from and after 1 December 1823 the "T Bit shall not pass current in the said island either by tale or as bullion; and as a protection to all holders thereof the colonial treasurer is hereby ordered to take and receive, until the said first day of December all legal T Bits that are in circulation, and that are of the proper standard weight, that is, at the rate of 10 T Bits to a Spanish dollar, and to give other current money in lieu thereof." The colony shipped the decried discs* of silver to England, asking that the silver might be coined into 20,000 bits or "shillings," 40,000 half-bits, and 80,000 quarter-bits, or "estampés." But in 1824, as in 1813, the colony failed to obtain the local coinage for which it asked; the reason in 1824 being that the Imperial Treasury was maturing its general scheme for the introduction of sterling coins into the colonies generally.

Writing in 1824 as to the temporary withdrawal of the "T Bits,"† the Governor says "the want of this coin and of a smaller denomination of money is much felt, and although great convenience has been found from the quarters,‡ and even the eighths, of dollars now circulated in payment of the Troops (*i.e.* the British 'Anchor money' coined for the West Indies in 1822 *see* page 21), the smaller coin of a sixteenth of a dollar does not correspond with the decimal division of the dollar in use in this island, and occasions a loss to the party receiving or paying it," the "Anchor sixteenth" passing as only a half-bit (2 stampees), or one-twentieth of a dollar (6 *d.* currency)

In 1825, when Trinidad was thus suffering from the lack of small silver, the Imperial Government issued the Order in Council of 23rd March 1825 (*see* page 23), aiming at the introduction of British silver and copper tokens into general circulation throughout the British Colonies. The Order was brought into local operation in Trinidad as from 1st January 1826, by the Governor's Proclamation of 26th October 1825, whereunder Trinidad was subjected to the following concurrent ratings:—

		Island Currency.	
		s.	*d.*
British.	Shilling - - -	2	3½ and 10/13ths of a farthing.
	Anchor $1/4 - - -	2	6
	„ $1/8 - - -	1	3
	„ $1/16 - - -	–	7⅛ (2½ stampees.)

* Cut-dollars weighing nine-tenths of an unmutilated dollar were reissued, and ordered to pass by weight on an equality with the uncut coins.

† It may be here stated that "cut dollars" and some "T Bits" were currently accepted, and in circulation, in 1857. Since that date they have been worked into bangles &c., by the East Indian immigrants on account of the (supposed) purity of the silver.

‡ The Governor's proclamation of 27th March 1823, rated the quarter dollar at 2*s.* 6*d.* currency, the one-eighth dollar at 1*s.* 3*d.*, and the one-sixteenth at 7½ *d.* currency; "the same shall be a legal tender in all cases"

		£.	s.	d.		
Spanish.	Doubloon - - - -	8	–	–	or	160 Bits.
	(½, ¼, ⅛, and $\frac{1}{16}$th in proportion.)					
	Dollar, or Peso Duro - -	10	–	„		10
	Peçeta Mexican (= $1/4) -	2	6	„		2½
	Real of Mexican Plate -	1	–	„		1
	Half ditto - - - -	–	6	„		–½
	Peçeta Provincial (Pistareen)	2	–	„		2
	Bit (Provincial Real) - -	1	–	„		1
	Real Vellon, or half-bit -	–	6	„		–½

It will be observed that Mexican fractional coins, other than the quarter-dollar, were under-rated in the colony, being taken as equivalent to the corresponding provincial coins. This prohibitive rating necessarily kept the Mexican real and half-real out of the island, leaving the field to the provincial coins. Hence, in the words of the Governor in 1825, "the decimal division of the dollar, and its nominal value of ten shillings (or bits), corresponds both to the money of account and the money of circulation." The rating of the dollar at 10 bits, and the rating of the doubloon at $16, were the most important changes which had taken place since 1797. Instead of 13 per cent., the doubloon was now over-valued only some 4½ per cent., as compared with the dollar; and the dollar, as the equivalent of 10 bits, had a fairer chance of circulation than at its former rating of 9 bits. But, as the dollar (the proper gold-price of which was only 4 *s.* 2 *d.*) was rated by the Order in Council of 1825 at 4 *s.* 4 *d.* sterling, for concurrent circulation with sterling coins, and as further the doubloon (worth intrinsically 64 *s.*), was rated at $16, or 69 *s.* 4 *d.* sterling, the natural fate of the British silver coins imported into the island was (i) to be bought up at 69 *s.* 4 *d.* for a doubloon, and (ii) to be re-shipped forthwith to England. In Trinidad, as elsewhere, the measure of 1825 defeated the purpose it was framed to ensure.

Soon after the reform of the currency system of the United States in 1834, Trinidad, like all other neighbouring colonies at the same date, suffered severely from the dearth of small silver. So great was the inconvenience under which the colony laboured from this cause, that in 1836, a proposal was made by the Colonial Government (for the third time) that a local coinage should be struck for the colony (in denominations ranging from $\frac{1}{2}$ to a quarter-bit, or stampee); and 10,000 *l.* in doubloons was shipped home to meet the cost. The Home Government refused to strike the proposed insular coinage, and in lieu sent out to the colony sterling three-penny and three-halfpenny pieces. These sterling coins the colony declined to accept, shipping them back to their agent in London as "unsuitable and not such as required." And, indeed, it would have been a hopeless task accurately to compute in "bits," the equivalence of these small coins.

By the end of 1837 all the "anchor money" had disappeared, and dollars commanded a premium of from 3 to 3½ per cent. as against gold. And the newly-formed Colonial Bank advertised its refusal to recognise a doubloon as equal in value to $16.

In 1838 (*see* page 27) the Imperial Government introduced its remedial measures, whereby the dollar was rated at 4 *s.* 2 *d.*, and the doubloon at 64 *s.*, for concurrent circulation with sterling coins in the West Indies. The Governor's proclamation of 20th November 1838, which gave local effect to this salutary Imperial legislation, properly retained as the basis for revised currency values the rating of the standard doubloon at 8 *l.*, and on this basis proceeded to lay down ratings of 10 *s.* 5 *d.* for the dollar and 2 *s.* 6 *d.* for the British shilling. Salutary and just as were these proceedings, they excited some prejudice, here as elsewhere, among persons accustomed to reckon by "dollars" without a true appreciation of the real standard of value. Hence, as will be seen from the *Port of Spain Gazette* fo- 30th October 1838, and the *Trinidad Standard* of 23rd November 1838, there was considerable local feeling in favour of lowerf ing the rating of the (standard) doubloon, rather than of raising that of the dollar,—existing contracts to be paid at the rate or four British shillings per "dollar," or one-sixteenth of a gold doubloon.* But nothing came of the agitation; Her Majesty in Council, on 3rd May 1839, confirmed the Governor's proclamation, and on 22nd May 1839 revoked "all former Proclamations and Orders for fixing the relative values of currency, and of any coins in the said Island."

From 1838–9 onwards, with one important demonetisation (the dollar), the currency of Trinidad has undergone no practical change by legislation. As the result of the gold discoveries in the middle of the century, the increase in the gold-price of silver made it profitable to export the silver dollar from Trinidad, as from other Colonies similarly circumstanced. It was stated by the Governor in 1852† that "it is only two years since British silver has been brought into circulation in the colony. It was effected at first with considerable difficulty; it has been found of great advantage both to the planter and the labourer; and so speedy a change in its circulation" (*i.e.*, the introduction of a 40 *s.* limit) "would create a prejudice which would operate most untowardly on the public feeling. At present I have no fear that it is in excess; for, though now brought largely into circulation, the cut dollars have not been withdrawn, and there is still a large supply of French 5-cent pieces, which at one time were the only small silver coin to be found in the Island. . . . It may not be easy to understand on mere principles of currency, as the Lords of the Treasury very naturally suggest, why the Bank might not return to the im-

* An Ordinance was indeed introduced on these lines in December 1838, which proceeded "to limit the sums for which British silver coins are to be received in lawful tender at one time."

† *See* page 30 of Parliamentary Paper, No. 268 of 1853 (relative to the circulation of British silver coins in the West Indies without a limit of legal tender).

portation of Mexican dollars, nor why the limitation of British silver should affect the accommodation to be given to the planters; it is sufficient for me that the Directors of the Bank say this would follow; and I have no doubt it would take place, as I believe the inhabitants of these islands are as much at their mercy in pecuniary matters, as they are at that of the Royal Mail Steam Packet Company for their postal arrangements, and for the conveyance of their persons. I hope I may be allowed to state, without breaking through the rules of propriety, that it is my deliberate opinion that both require much closer watching by the authorities in England than has been given to them."

The gold discoveries, dating from 1849, which had driven out the silver dollar, led subsequently to the legal currency of new gold coins, the gold coins of the United States and of the Sydney Mint being admitted to legal tender in the Colony, the former by Order in Council and Proclamation of 19th August 1853 (*see* page 28), and the latter by Order in Council and Proclamation of 10th November 1866 (*see* page 29).

As the rates for the United States coins were fixed at 41 *s.* for the eagle and 4 *s.* 1 *d.* (98 cents) for the gold dollar, whereas the value of the gold dollar intrinsically is 4 *s.* 1·316 *d.*, and that of the eagle consequently 41 *s.* 1·16 *d.*, it follows that the gold coins of the United States are placed at a slight disadvantage as compared with the sovereign. But as the legislation of 1838 left British silver an unlimited legal tender, the sovereign has never entered into general circulation in Trinidad. By custom, however, the *gold* dollar of the United States is taken as a "dollar," *i.e.*, the equivalent of 4 *s.* 2 *d.* sterling, and multiples of the dollar in proportion. This popular convention, which finds a counterpart in the Bahamas, and which over-values the eagle by 8 *d.*, would naturally be expected to result, as in the Bahamas, in the establishment of the gold coins of the United States as the standard of value in the Colony. But, as neither the banks nor the Colonial Treasury will receive United States gold except at its legal rate, the very considerable amount of United States gold which is introduced into the island (with doubloons) from Venezuela, and which is readily accepted by merchants at its "face value" (*i.e.*, in "dollars"), is re-exported to the United States, &c., at the rate of some $30,000 (6,250 *l.*) a month. The refusal of the banks and Colonial Government to conform to the popular over-rating has prevented United States gold from becoming the standard of value in Trinidad, as in the Bahamas. In comparing the two Colonies in this respect it is to be remembered that (till recently) there has been no Bank of Issue in the Bahamas, whereas in Trinidad the Colonial Bank has for many years had a large issue of sterling notes, for redeeming which the United States eagle is only equivalent to 41 *s.* by law. Similarly, doubloons, though accepted readily by merchants at $15½ (3 *l.* 4 *s.* 7 *d.*)* are only received by the banks, &c., at their legal rating, 3 *l.* 4 *s.* ($15.36). Of these doubloons,

* Till a few years ago the doubloon was accepted in Trinidad at $15.75; but the merchants eventually agreed among themselves to reduce this over-valuation to the Venezuelan ratio of 1 doubloon = $15.50

however, which are chiefly used by traders with Venezuela, a considerable number make their way into circulation until wanted for remittance in the course of trade.

At the beginning of 1876, the fall in the gold-price of silver entailed trouble throughout the West Indies in connection with the silver dollar of Mexico and South America. Though for a quarter of a century the coin had practically been unknown, it still remained a legal tender to any amount under the Proclamation of 1838. Taking warning betimes from the example of British Guiana, the Colonial Government of Trinidad passed a demonetising Ordinance on 18th July 1876, allowing 30 days for holders of these coins to exchange them at the Colonial Treasury at the old rate of 4 *s.* 2 *d.* It appears that only one speculative importation had taken place, and the total number of dollars exchanged was 13,139, representing a nominal value of 2,737 *l.*, at the rate of 4 *s.* 2 *d.* per dollar.

As no ordinance has ever been passed in this island prescribing sterling denominations of account, (i) private persons continue to reckon exclusively by dollars and cents,* whilst (ii) in the Government offices accounts are kept both in £. *s.* *d.* and in $ currency.

The amount of coin in circulation on 31st December 1891 is estimated at 100,000 *l.*, of which only about 5,000 *l.* was in British gold, and 5,000 *l.* in doubloons and United States gold, the balance of 90,000 *l.* being in British silver and bronze. (There is no foreign silver of any kind in circulation in the Colony.) The amount of the notes of the Colonial Bank in circulation at the same date may be taken at about 100,000 *l.* Thus the total amount of currency (coin and notes) was 200,000 *l.*, or 1 *l.* per head of the population (200,028), 10 *s.* being in coin, and 10 *s.* in notes.

* Thus, *e.g.*, the threepenny-piece, which is slowly creeping into use, is commonly called "six cents." The term *Bit* (*Escalin* or *Escalier*) is in familiar use among the lower classes and Creole housekeepers for 10 cents, or 5 *d.*, the necessaries of common life being sold by the *Bit* and *Half-bit*.

It is worthy of note that in the middle of the century a local barber, François Declos, stamped his initials on all pence and half-pence (2 cents and 1 cent) which came into his hands, and issued the stamped coins as for 2½ and 1¼ cents respectively. These "Stampees" were freely received at the barber's valuation.

CHAPTER IX.

BRITISH GUIANA.

The present Colony comprises three original Colonies, Berbice, Demerara, and Essequibo, the two latter of which formed one "United Colony" for administrative purposes under British rule, and remained separate from Berbice until 1831.

Like the Cape and Ceylon, these three Colonies long retained the mode of reckoning by guilders which had been in vogue under Dutch rule. Accounts were kept according to the following scheme :—

1 guilder equals 20 stivers.
1 stiver „ 16 pfennings.

The guilder of account in British Guiana was the Hong guilder, and 12 guilders to the £. sterling was "par." A half-johannes (here styled a *whole* johannes) passed for 22 of these guilders, or florins. And, as the guilder was rated at 1 *s.* 8 *d.* sterling, and was at the same time regarded locally as equivalent to a third of the Spanish dollar,* the local rating of this dominant coin of the day was 5 *s.*, a rating which, though identical with the Halifax rating, was not derived from it. But with the departure of the Dutch, the guilder became purely a money of account.

The characteristic feature in the currency history of the several Colonies which make up the modern British Guiana is not so much their ratings of coin, but their issues of paper money. Both in Berbice, and in the United Colony of Demerara and Essequibo, the local currency was dominated by depreciated paper, which was irredeemable in both cases, and was in addition unsecured in Berbice. The profligate issue of paper marks the currency history of all the three Colonies which passed from the Dutch into British hands about the year 1800 ; it was the scourge of the currency of the Cape and of Ceylon no less than of British Guiana. The paper of Berbice was a heritage from the Dutch, like the paper of the Cape and Ceylon ; but in the United Colony of Demerara and Essequibo it originated under British rule, and, though originally issued with laudable motives, proved equally baneful in its effects.

British Guiana stands, or stood until recently, alone among the British Colonies in retaining in ordinary circulation a local token coinage in silver dating back to the days of its unreformed currency. The analogous coins struck early in this century for Ceylon, Mauritius, and Sierra Leone, have long since been withdrawn ; but a few of the guilder-tokens of British Guiana are still

* Originally the guilder had been one-third of the rix-dollar, which was practically equivalent in value about the year 1700 to the Piece of Eight, or early Spanish dollar (*see* page 301).

retained in circulation in the Colony by reason of their deficiency in intrinsic value.

As the ascertained facts regarding the early history of Berbice are at once simple and scanty, it will be convenient to treat first the history of currency in that Colony, and then to treat of that of Demerara and Essequibo, which leads naturally on to that of modern British Guiana.

(i.) Berbice.

On 20th August 1797 the Governor wrote that "the Colony, though settled long before Demerary had been in a declining state for some time" (since the insurrection of 1762), "but in the last few years had become prosperous." Since 1789 the slaves had been trebled and 60 new estates brought into cultivation.

The paper money of this Colony had its origin in the issues under Articles 5–7 of the Capitulation; it replaced bills for salaries, &c., on the Dutch Berbice Association, which were found in circulation at the time of the capture, and for which certain estates of the Association were held to be liable. The amount of this paper appears to have been 173,349 guilders. By a deplorable oversight, when the hypothecated estates were restored to the Association in 1815, no stipulation was made for the redemption of the paper issued against them, though the Colonial Office directed that the debt should be recovered.

Consequently, after 1815 there was no definite fund earmarked against the local paper, which had the two cardinal shortcomings of being at once irredeemable and unsecured.

The beginning of the purely Colonial issues seems to have been in 1809, on the 1st of August of which year the Court of Policy, being informed by the Receiver General that in consequence of the failure of the crops the Treasury was bankrupt, "judged fit to order that notes shall issue to the amount of 80,000 guilders from the Treasury, signed by. . . ., the two eldest members of this Court. The notes shall be in the same form as those issued on the 6th June 1800"; and they ranged in denomination from 10 to 500 guilders. After making the notes a legal tender in the Colony, the Court went on to "bind the ordinary and extraordinary public revenue of this Colony to be and remain a security for the withdrawing and cancelling of the said paper, and the Receiver General is hereby ordered not to re-issue any of the notes issued by virtue of this Ordinance after the last day of December of the year 1810."

But the idea of redemption was abandoned, and more paper was issued; so that in 1816 the Colony reported that there was in specie "only about 200 *l.* sterling in circulation." It was stated at the same time that "the denominations of the silver coin which occasionally appears, tho' very seldom, and then only in small quantities," were—

		s.	d.
Spanish dollar of standard wt., valued in currency at		5	–
Dutch guilder „ 6 dwt. 12 gr.	„	1	8
10-stiver piece „ 3 dwt. 6 gr.	„	–	10
5-stiver „ „ 1 dwt. 15 gr.	„	–	5
2½-stiver „ „ 18¾ gr.	„	–	2½

"The general established currency of the Colony of Berbice is paper, and consists of 'goods' or notes of various amount in guilders, issued by the authority of the Court of Policy, the present value in exchange of which is at par, *i.e.*, 12 guilders per £. sterling." By 1829 the paper issues of Berbice amounted to 365,416 guilders, of which 173,349 had been issued (as shown above) in connection with the capitulation, whilst 97,160 was the balance of issues prior to 1815, and the residue (94,907) represented issues of 1826. Side by side with the Government issues, there was a circulation of private promissory notes, issued by individuals and locally current "in consequence of the want of a sufficient circulating medium of small silver." On 20th November 1833 the Governor, by proclamation, ordered that the public offices in Berbice should refuse to receive this private paper. He also notified that he was in communication with the Imperial Government as to introducing a metallic currency.

In 1831 Berbice had been united with Demerara and Essequibo to form the modern Colony of British Guiana, and its further currency history will be found thereunder.

(ii.) DEMERARA AND ESSEQUIBO.

"These Colonies," wrote Governor Beaujou, "had no usual trade with any part of Europe besides Holland, and to that country the whole was confined with the exception of allowing vessels from the United States and foreign plantations to import the articles indispensably required, and which could not be brought from Holland. In the latter part of 1794, from consideration of additional necessity, produce was allowed to be exported to the amount of the commodities so imported. (New negroes also in 1795 were admitted temporarily in foreign bottoms.) Previous to the year 1794 no produce was allowed to be sent to foreign plantations or the United States of America, but the clandestine exportation was considerable." And, as was the case in all Dutch Colonies, accounts were kept in guilders and stivers. At the date of the surrender (1796) there was found in the States' chest a sum in specie of 22,270 florins (or under 2,000 *l.*) in Demerara, and a smaller sum in Essequibo; but there is no evidence as to the coins composing these balances.

Whatever may have been the earlier circulation of Dutch or other coins, in 1798 the Portuguese johannes was the standard of value, and indeed practically the sole circulating medium. It appears that in the middle of this year there was a great quantity of light and clipped johanneses in circulation, and the Governor had "reasons to apprehend a further importation." Upon his motion the Court of Policy, on 2nd August 1798, passed an Ordinance* relating to these light coins, and on 29th October stated that "there are none, or very few other coins than joes in circulation here." This (Dutch) Ordinance directed that "no other johanneses shall be

* This step was manifestly taken in consequence of the Colonial Office circular of 26 May 1798 (*see* page 20).

legal tender for 22 guilders,* but those of gold (*i.e.*, not counterfeits), and weighing 7 engels weight. Also the double, the half, the fourth, and the eighth part in proportion." But, "to prevent loss to the inhabitants all johanneses weighing less than 7 engels weight, at present in the Colonies, and which have not been cut or filed, and on which the letters around the edge are whole, shall be stamped, and after that passed for the full value till 2nd August 1799. After that, stamped johanneses shall cease to be legal tender. Two Commissioners shall be appointed to so stamp this coin. The stamp for Essequibo shall be square, with the letters *E. D.*, and that for Demerara round, with the same letters."

On 28th January 1801 a complaint was made to the Court of Policy as to the dearth of silver, and the loss inflicted on soldiers by the money-changers charging 2 guilders for changing a joe. The Governor proposed "to introduce the round Spanish dollar of the value of 12 bits,† and the Danish schellingen, the original value of which was 11 to the dollar, but he proposed to reduce the value of the same so as to make them 12 to the dollar." This was, perhaps, the origin of the "cut-money." Atkins figures a Spanish dollar (dated 1786), from which a circular piece has been cut, the cut dollar being stamped with the Colonial initials *E. & D.*, and with its currency value of 3 guilders. The circular piece cut out of the dollar is similarly stamped with the initials, and with the currency value of 3 *Bts.* (*i.e.* 3 bits or quarter-guilders). Mr. E. A. V. Abraham, in his pamphlet of 1891 on the *Coins of British Guiana*, says: "The Government cut pieces in the shape of a star, a crescent, and a circle from the dollar pieces, milled the cut-out, and the space so cut from, and mint-marked the cut-out pieces . . . . . The smaller coins were treated in a similar manner. The Spanish piece to represent a 'sixpence' (? ⅛ real) was partially cut across in three in the shape of a triangle, and when a purchase was made, the purchaser broke a piece off his 'sixpence,' and when he had broken three pieces off (each being a 'penny'), the triangular piece left was a 'bit.' These pieces are called cut-bits. The dollar was cut in five triangular pieces, each representing a quarter of one dollar. . . . . The cut edges were milled, and the pieces mint-marked."

In 1806, owing to the dearth of silver money, the Court of Policy issued "goods" to the amount of 73,000 florins, ranging in denomination from 1 to 100 guilders. These "goods," secured on the Colonial revenue, were made a legal tender, whilst the Berbice paper money was decried within the 'United Colony' of Demerara and Essequibo.

In 1808, ten years after the Ordinance respecting the light weight of the johannes, the Colonial currency was troubled with plugged coins of a very questionable character. The memorial of Court of Policy forwarded by the Governor on 31st December the 1808, states "that an enormous quantity of base coin, consisting

* This rate was fixed by the French Proclamation of 26th February 1782.

† *i.e.*, the scheme of "Leeward Islands currency, as finally modified in 1798."

of Portuguese pieces, commonly called joes, plugged with copper or brass slightly gilt over, having lately found its way into general circulation in these Colonies, your memorialists, on the representation thereof made by your Excellency at an extraordinary session of this Court, which you thought proper to convene on the occasion, united with your Excellency in the opinion that not a moment should be lost in putting a stop to an evil which could not but increase in magnitude every hour it was suffered to continue. . . . . We came to an unanimous resolution to call in all joes with plugs whatsoever, whether made of brass, of copper gilt over, or of better materials, so as once for all to guard against the possibility of a similar imposition being practised at a future period. And we resolved at the same time that paper money under the guarantee of the Colony should be issued in the room of those plugged joes, in order to pass as a colonial currency until it would be in our power to redeem it in specie.

In consequence of this operation, there has been withdrawn from general circulation a quantity of coin, consisting in joes with plugs, equal in the value they represent to nearly 50,000 *l.* sterling,* for which COLONY GOODS, redeemable in specie in 18 months or sooner, are now issuing . . . It was resolved to send the plugged joes thus collected to England, there to be sold for whatever price the gold found in them shall fetch, and to appropriate the proceeds towards defraying the expense of a new coinage for the use of these colonies, to be executed under the inspection of Mr. Bolton, of Birmingham, partly of good joes of the value at which they have for years been legally current here†, and also of a proportion of silver money with a peculiar stamp so as to ensure its remaining in the country, which latter operation, on account of the very great inconvenience now experienced from the want of a sufficient quantity of small silver money (particularly by those classes of the community who stand most in need of it), would unquestionably be attended with a permanent benefit to the colony."

In forwarding this memorial, the Governor said: "Should His Majesty not think proper to permit the re-coinage to be in Portugal pieces (which is the only kind current here at present), the Court of Policy humbly begs that His Majesty may be graciously pleased to allow a Royal colonial gold coin to be struck for the use of these colonies of the same gold which is withdrawn and sent home, and of the same weight and value as that which is now in general circulation here, and as it appears from the quantity of copper and brass plugs, with which a great proportion of joes so withdrawn have been debased, that the colony will sustain a loss of upwards of 10,000 *l.* sterling, exclusive of the freight and insurance of the specie to and from Europe, it is humbly requested that a silver coinage to the above amount may also be allowed to be struck, bearing on one side the effigy of our most gracious Sovereign, and on the other a colonial emblematical device, expressing also

* The Governor stated the number of the plugged joes at 28,000.

† *i.e.*, at 22 guilders. It will thus be observed that the colonial suggestion was that *counterfeit* coin should be struck "under the inspection of Mr. Bolton, of Birmingham," and with the connivance of the Imperial Government.

the value of the coin, for which bills of exchange shall be remitted to whosoever may be employed to carry it into execution.

It is proposed that the silver should be coined in proportions, weight, and value as follows—viz.:

4,000 *l.* stg. in pieces of 3-gldrs.			to weigh	15	dwt. at	3 *s.*	9 *d.*	each.
2,000	„	„ 2	„	„	10	„ 2	6	„
2,000	„	„ 1	„	„	5	„ 1	3	„
2,000	„	„ ½	„	„	2½	„	7½	„

At the above rates (as the exchange for Government Bills has lately been as high as 15 guilders) only 6¼ per cent. would be reserved to assist the colony in defraying the expense of freight and insurance.

I am in hopes your Lordship will feel well inclined to favour the plan of a silver coinage when I assure you of the great distress and inconvenience which all ranks of His Majesty's subjects here suffer from an unusual scarcity of small change. For the almost only kind now in circulation is the Danish bit, or five stiver piece, which is a composition of copper with a small proportion of silver slightly plated over, and which at the present rate of exchange passes for about 5 *d.* sterling, though intrinsically not worth 1 *d.*"

Immediately afterwards the colony asked for a coinage of 2,000 *l.* in smaller silver coins (¼-guilders), making the sterling equivalent of the silver coinage 12,000 *l.*

The plan of a gold coinage was abandoned by the colony on 2nd August 1809. The silver coinage was executed by the Royal Mint in the same year, in the following proportions:

21,500 pieces of	3-guilders,		equivalent to	64,500	guilders.
16,125	„	2 „	„	32,250	„
32,250	„	1 „	„	32,250	„
64,500	„	½ „	„	32,250	„
124,032	„	¼ „	„	31,008	„
		Total value in guilders		192,258	

In order to pay expenses, the fineness was reduced to 816·6 *per mille*, the alloy being 2 oz. 4 dwts. per pound troy. The new coin was made a legal tender by the Proclamation of the Governor of 3rd February 1810. And, apparently, the temporary issue of paper "goods" of 1806 was withdrawn in exchange for the new silver coins.

Had the colony rested content with withdrawing from circulation the "plugged joes," and with importing heavy coins of the same familiar denomination, providing at the same time for a currency of these coins by weight (without plugs), the standard gold currency would have been established on a sound basis. And the new silver tokens, if restricted to a purely subsidiary position, would have made the monetary system of the colony complete for the time being. But these views, familiar as they are now, were unknown at the beginning of the century. And the colony, which had shown so laudable a sense of its duties by

the withdrawal of the plugged joes, was seduced by the fund it became possessed of, into pursuing a course more fatal by far to its true interests than that which it remedied. For, though the original idea had been, as above shown, to redeem within 18 months the "colony goods" (or colonial notes) issued in exchange for the coin withdrawn,* the United Colony, instead of redeeming the notes, invested in London the proceeds of the sale of the shipment of coin (less the cost of the silver coinage), and credited the local revenue with the interest accruing. And this convenient practice led the colony to ship to England in following years all the gold it could lay its hands on, and to issue paper in lieu. By the close of 1813 the sum invested stood at 23,964 *l.*, "and upon this security we circulate in paper money 80,103 *l.* 16 *s.* 8*d.*" In April 1815 the Court of Policy remitted a further sum of 17,060 *l.* for investment, raising the total paper currency at this date to 75,807 joes, or 1,667,754 guilders. And on 22nd March 1825, for the purpose of paying the expenses of martial law, consequent on the insurrection of 1823, the Colonial Government issued a further sum in paper of 24,182 joes, or 532,004 guilders, making a total of 2,199,770 guilders.

In 1813 the colony had a coinage struck at the Royal Mint of three tons of copper stivers, 220 of which were struck from the pound avoirdupois.

On 6th June 1815 the Court of Policy ordered 8,000 *l.* sterling to be remitted for a further supply of silver coin, the legend "Colonies of Essequibo and Demerary" to be altered into "United Colonies of Demerary and Essequibo." The Home Government having agreed to the proposal at the end of 1815, the coinage was executed at the Royal Mint in 1816 of the same fineness as that of 1809. The proportions struck were as follows:

10,197	pieces of	3-guilders,	equivalent to	30,591	guilders.	
15,302	,,	2	,,	,,	30,604	,,
34,092	,,	1	,,	,,	34,092	,,
33,968	,,	½	,,	,,	16,984	,,
42,912	,,	¼	,,	,,	10,728	,,
			Total value in guilders		122,999	

Writing to the Colonial Office on 15th October 1825, the Governor says of the colonial tokens: "The greater part, I believe, still remains in these colonies, and it may, indeed, be called the only silver coinage in circulation (for the dollars have almost disappeared)." But he adds that "a base coin has for many years been in circulation in this colony, but of late years has greatly increased – viz. the Danish one and two bitts. In the Danish Islands they pass at the rate of 15 or 16 bitts to the dollar, whereas here they are current at the rate of 12 for a dollar or 3-guilder piece. They are imported here by individuals who make a profit by it of between 30 and 33 per cent. Most of this currency is no longer really the Danish colonial money, which contained some silver, but a counterfeit coin containing no

* The original issue of paper amounted to 615,840 guilders.

silver at all." By proclamation of the Governor on 4th August 1825, it was ordained that "the spurious coin known by the name of Danish bitts and two bitts, which have never been formally sanctioned by any competent authority and proclaimed a legal tender, shall provisionally and until further notice constitute a legal tender to the amount of 11 guilders and no more in one payment." And on 2nd September of the same year these Danish coins were demonetised altogether in the united colony of Demerara and Essequibo, a step which was followed on 7th October by Berbice.

On 8th September 1825 the Governor proclaimed in the Colony, and so brought into local operation, the Imperial Order in Council and Royal Proclamation of 23rd March 1825 (*see* page 23), the object of which was to introduce British silver into general circulation throughout the colonies. This instrument assumed the Spanish dollar as the pre-existing standard of value generally, and rated it for concurrent circulation (as a temporary measure) as the equivalent of 4*s.* 4*d.* sterling, whereas the gold-price (or sterling equivalent) of the coin was only 4*s.* 2*d.* When the Order was received in the Colony, the Governor stated that "by fact and practice the Spanish dollar is current for 3 guilders of the colonial money of account, and at this rate, accepting the standard determined by His Majesty's Government of 4*s.* 4*d.* for the Spanish dollar, a British shilling amounts to $13\frac{11}{12}$ stivers. The exchange for several years has generally continued between $13\frac{3}{4}$ and $14\frac{1}{4}$ stivers, the medium being therefore 14." Consequently, the Governor's Proclamation of 8th September rated the British shilling at 14 stivers, and the penny at 1 stiver 4 pennings, the halfpenny being rated at 10 pennings, and the farthing at 5. As a matter of fact, the Spanish dollar was not made a legal tender at this date, though conventionally it was supposed still to be the equivalent of 3 guilders of the money of account.

As a result of large shipments of specie, the Commissariat issued the pay of the soldiers half in British silver and half in Spanish dollars. The over-rating of the Spanish dollar by 4 per cent., relatively to the sterling coins, naturally drove out the latter. "The British silver," wrote the Governor in 1831, "has successively disappeared as fast as it has been issued. Since the re-opened intercourse with the United States the Spanish dollars have disappeared also, and there is now no silver currency in the colony but the colonial silver coinage of 1809 and 1816, which has alone remained because its intrinsic is not quite equal to its nominal value." It was for this reason, and to meet the inconvenient deficiency in the circulating medium, that the Court of Policy, on 8th June 1831, asked for "the following quantity of silver colonial coin or tokens similar to the coinage last executed for the colony in the year 1816," viz. :—

			Guilders.
5,000	3-guilder pieces	equal to	15,000
10,000	2-guilder „	„	20,000
15,000	1-guilder „	„	15,000
30,000	½-guilder „ of 10 stivers each	„	15,000
30,000	¼-guilder „ of 5 „ „	„	7,500
30,000	⅛-guilder „ of 2½ „ „	„	3,750

After stating that, at the current exchange of 15 guilders per pound, the proposed new coinage amounted to "a little more than 5,000 *l.* sterling," the Court went on to observe that the measures of 1825 "have totally failed, as none of the British silver coin is now in circulation, owing to the high rate of exchange between the Colony and Great Britain, which induces the merchants to purchase at a considerable premium for remittance all silver coin equal to or above the standard of Spanish dollars."

The Imperial Treasury represented to the Colonial Office that the proposed coinage of more tokens could only provide a temporary remedy; that the real evil was the irredeemable paper of the Colonial Government; and that the Court of Policy "ought to sell out the Consols which it held, and so cancel the notes it had issued." Eventually, however, at the close of 1831, sanction was reluctantly given for the coinage, and the new tokens were issued in 1832. It will be observed that, though Berbice had been added to Demerara and Essequibo in 1831 to form the modern colony of British Guiana, the coins ordered in 1831, and issued in 1832, bore the old stamp of "United Colony of Demerary and Essequibo."

Further coinages of the Colonial tokens, from 1 guilder to $\frac{1}{8}$th of a guilder, were struck in 1833 and 1835,—the following table, showing the numbers of each denomination in 1832 as well as in the two latter years:—

Year.	3-Gs.	2-Gs.	Guilders.	½-Guilders.	¼-Guilders.	⅛-Guilders.	Nominal Value.
							Guilders.
1832 -	2,156	4,108	8,031	8,344	8,548	-	29,024
1833 -	-	-	24,440	48,384	97,040	67,776	81,547
1835 -	-	-	21,925	36,450	72,844	70,872	67,220

All these coins were struck for, and put into circulation in, Demerara and Essequibo; none were for Berbice.

The Demerara Blue Book for 1835 gives the (colonial) coin in circulation as:—

			Guilders.
38,626	pieces of 3 guilders each	- -	115,878
45,202	„ 2 „ „	- - -	90,404
135,029	„ 1 „ „	- - -	135,029
221,085	„ 10 stivers „	- - -	110,542·10
374,592	„ 5 „ „	- - -	93,648
168,624	„ 2½ „ „	- - -	22,078
			Fl. 566,579·10

"or 40,469 *l.* 19 *s.* 3½ *d.*"

As regards the Government notes, or "Colony goods," the total amount of this paper currency in Demerara and Essequibo at the end of 1829 was 2,199,758 guilders, in notes of from 1 to 20 "joes," each joe being equivalent to 22 guilders. Against this irredeemable paper the Colony held 184,800 *l.* consols, worth nearly 160,000 *l.* at the price of the day; and, at the exchange of 15 guilders to the pound, this stock was therefore worth about 2,384,000 guilders. Thus the Colonial Government was in a position to redeem the whole issue, had it been so minded. But the Court of Policy preferred dividends to a sound specie currency.

The exchange, which had not been higher than 14½ in 1826–27, and which fluctuated between 14⅛ and 14⅜ in 1829, had risen still higher, to 15, in 1831. Within the next two years the exchange rose to 18 guilders per pound, as against the eighteenth century "par." of 12. The Court of Policy tinkered with the evil by Ordinances of 1830 and 1832, altering the form and denomination of some of its notes; "half-joe notes" of 11 guilders being substituted for 2,500 1-joe notes. And on 3rd June 1834, as the drain of specie continued, the Court consented to invest its dividends for the year in procuring more silver tokens. In this year the Governor stated that the local silver currency had "nearly disappeared, and no specie, to even the most trifling amount, can be obtained except at a very great sacrifice."

(iii.) British Guiana.

In 1838 (*see* page 27) the Imperial Government introduced its remedial measures, whereunder the doubloon and the Spanish dollar were rated at 64 *s.* and 4 *s.* 2 *d.* respectively for concurrent circulation with sterling. The local Proclamation carrying out the Imperial measures was issued on 15th November 1838, and fixed the following "currency" ratings:—

Doubloon	46 guilders, 1⅜ stivers.
Dollar	3 „
Shilling	14⅜ „

And the doubloon, dollar, and British silver coins were made legal tender in the Colony of British Guiana. The currency for British silver was complicated by the traditionary mode of reckoning among the working classes and the negroes. These latter knew nothing of the denominations of the Colonial money of account, guilders, stivers, and pennings; their calculations were solely in "bitts" of 5 stivers each, 4 to a guilder, and therefore 12 to a dollar. Hence, finding that they could not pass the shilling for 3 bitts, they would only take it as the equivalent of 2⅜ bitts. This difficulty, and the necessity for rating the Colonial tokens for concurrent circulation with sterling, &c., led to a new system of denominations, introduced under Ordinance No. 3 of 1839.

Under this Ordinance the money of account was changed to dollars and cents, the currency dollar being equal to 3 guilders of the old reckoning. And the next step, under Ordinance No. 1

of 1840, was to declare the values of the Colonial tokens in dollars and cents, as follows:—

	s.	d.		cents.
½ bit (*i.e.* ¼ guilder) - - - - -	–	2	or	4
1 „ (*i.e.* ½ guilder) - - - - -	–	4	„	8
3 bits - - - - - - -	1	–	„	24
1 guilder - - - - - - -	1	4	„	32
3 guilders - - - - - - -	4	–	„	96

Thus the Spanish or Mexican dollar was rated at 3 guilders ('dollar currency') plus a half-bit, making 12½ bits to the specie dollar,* whilst 3 bits went to the shilling. With this measure it was imagined that there would cease to be any difficulty in circulating British silver concurrently with dollars and doubloons. But, when re-issued, the guilders "immediately, for convenience sake, regained by common consent the nominal value before assigned to them, and continued up to August 1850 to pass as three to the specie dollar, or even—when the sum was fractional—for 34 cents."

The legislation of 1838-40 had put the metallic currency on a satisfactory footing (except that no limit of tender had been imposed on British token silver); but the real evil, the paper currency, was still untouched. In 1839 the outstanding Demerara and Essequibo paper issues still stood at 2,199,770 guilders, against which there were sterling investments worth £. 150,077, or *Fl.* 2,176,129 at the current rate of exchange of 14½ guilders to the £. On 10th June 1839 an ordinance was passed providing for the redemption of the notes by 1st January 1840. Commissioners were appointed with powers to draw bills against the colonial fund in London, or to import specie, for the purpose of enabling the Receiver General to pay the notes off in specie on and after 1st January 1840, as from which date they were demonetised except for tender at the Public Offices. But, as the demand for specie was pressing, a further ordinance was passed on 27th November 1839, fixing 2nd December of that year as the first day for paying off the notes. The redemption was not completed, however, for some time, as in 1841 16,000 dollars were voted for "the Joe notes."

As regards the Berbice paper, ranging in denomination from 1 to 330 guilders, and amounting on 31st December 1834 to *Fl.* 426,699. 10. 9, according to the Blue Book for 1837, it was resolved in 1839 to follow the Demerara precedent, and so establish one uniform currency of specie for the whole Colony of British Guiana. In the beginning of 1837 a coinage of 1836 for the Colony of British Guiana (121,992 guilders in all †) had been put in circulation in Berbice, in exchange for Berbice paper of a like amount, which was burnt. On 17th January 1840, 70,000

* The Ordinance provided that for two months the guilder tokens might be paid in to the Receiver General at the old rate, to be re-issued by him subsequently at the diminished rate laid down by the Ordinance.

† The numbers and denominations were as follows: Guilders 38,103; ¼ gs. 80,072; ½ gs. 139,632; and ¼ gs. 121,992. The Blue Book for 1837 states that since 1834 "the sum of *Fl.* 128,226 in paper currency has been taken up and destroyed, having been replaced by silver change."

guilders of the paper money were further cancelled; and further redemptions were made from time to time. The *Local Guide* has the following note, with reference to the year 1841: "The remainder of the Berbice paper money redeemed." But in 1844 2,000 dollars was voted for the "redemption of Berbice paper money"; and in 1845 the money voted appears as a "balance in hand," so that it could not have been spent on redemption in 1844.

In concluding this review of the unreformed currency of British Guiana, it is to be observed in the first place that though the paper of the United Colony of Demerara and Essequibo was secured by stock in London, yet that, as the paper was irredeemable, it was practically on the same footing as the unsecured paper of Berbice. But there was this essential difference between the currency of the two provinces that, whilst Berbice had no coin at all in circulation, Demerara and Essequibo had an ultimate limit to the fluctations of exchange in the guilder tokens. As the 3-guilder piece contained some 294 grains of fine silver and was consequently worth 3 *s.* 4 *d.* sterling, 18 silver guilders of the colonial coinage were worth 1 *l.*, and an exchange of 18 "caused every dollar, or everything in the shape of silver to leave the colony," till the exchange fell again. The other limit resulted from the valuation of the Spanish or Mexican dollar at 3 of the guilders of account. As the Spanish dollar was worth in London 4 *s.* 2 *d.* sterling, it follows that par was represented by an exchange of 4⅓ dollars, or 14 guilders 8 stivers. Extraordinary circumstances produced modifications of these normal limits. For example, the exchange was reduced shortly after 1833 (when it stood at 18) to the low figure of 13 by the payment of compensation money in large sums by the Imperial Government in connection with the manumission of slaves. But by 1838 the exchange was up to 14½.

With the withdrawal of the paper money, the currency of the colony did not stand on the same footing as in other West Indian Colonies, owing to the old colonial tokens, which were retained in circulation because their intrinsic was not equal to their conventional value. In 1845, as appears from the Minutes of the Combined Court of 9 April of that year, a committee on coinage recommended that "2 and 3 guilders tokens should be remitted to England to be sold * and the proceeds placed to the credit of the colony with the agents; the one-guilder tokens to be continued in circulation until a sufficient supply of quarter-dollars can be imported." Also copper coins were recommended as a legal tender "to the amount of 8 cents in one payment." In 1850, by Ordinance No. 17, the colony proposed to limit the legal tender of British copper coin to 3½ *d.*, *i.e.*, "below the lowest silver coin in ordinary use." This ordinance was disallowed, but its effect was to restore the currency to the legal standard, the guilder token falling from 33⅓ to 32 cents. Previously, so completely had the tokens held the field at their overvaluation that no sterling coins were seen, and retail traders "were

* In 1839 tokens of 2 and 3 guilders were sent to England to be melted down, according to Governor Barkly on 28th April 1852 (H. of C. Paper, No. 268 of 1853).

driven to establish among themselves a currency of *empty bottles and junks of sugar cane*" (Governor Barkly). But with the gold discoveries of the middle of the century, the enhanced gold-price of silver carried away all the dollars from this as from other colonies with similar currency regulations. In 1852 "the merchants of Georgetown had viewed with anxiety for some time past the unusual amount of British silver imported into this colony, and the power afforded our banks, as well as individuals, of tendering this silver coinage in payment to an unlimited extent." It was urged "that it is impolitic, and in principle unjust, to make a coinage of this description a legal tender of payment to an unlimited amount in the colonies"; and a *5 l.* limit was earnestly desired, to obviate the payment of bank notes "in an inconvertible silver coinage, which—unrestricted—is nearly as objectionable as our former colonial paper currency."* But, as other West Indian Colonies had now come to hold less sound views, no action was taken.

By proclamation of 12th April 1851 copper coins were made a legal tender up to 1 *s.*, and in 1853, by proclamation of 12 October of that year, U.S. gold coins were made a legal tender at the (under-) ratings of 4 *s.* 1 *d.* for the gold dollar, and of 41 *s.* for the eagle (*see* page 28). The doubloon seems to have gradually become unimportant in the currency of the colony, as its trade with Great Britain grew in volume; and by 1876 British silver was the principal money current in British Guiana, as in the rest of the British West Indies.

The rating of the silver dollar which was laid down in 1838 was 4 *s.* 2 *d.* In 1876 these coins could be bought in London at a price which made it possible to lay them down in the West Indies at not more than 3 *s.* 10 *d.* each. Accordingly it became a highly profitable speculation to import dollars; and a Liverpool firm took advantage of this favourable opportunity to import 80,000 dollars into British Guiana early in May, followed by consignments of 65,000 dollars, and 78,000 dollars, in the two succeeding mails. There were to have been further importations, but they were stopped by telegram. For, as soon as the second importation was known of, the local banks refused to receive the coins, except in payment of obligations; and it was generally understood that the Colonial Government would interfere. The interference of the Colonial Gov[illegible] took a twofold shape. In the first place, under Ord[illegible]. 5 of 1876, an import duty of 20 per cent. was put [illegible]portations of silver coin not coined within the United K[illegible], provided the amount imported were above 300 dollars enhanced value. And, in the second place, the Ordinance No. 6 of 1876 was passed, declaring "that tender of payment in Spanish, Mexican, or Columbian silver coins called dollars shall cease to be a lawful tender" after 22nd August 1876. The Ordinance provided that up to that day dollars "now in circulation, and now (1st August) within the Colony" should be exchanged at the old rate of 4*s.* 2 *d.* each. The number of coins so received for exchange was 226,100 dollars, equivalent at the old

* *See* also under Jamaica, Barbados, and Trinidad, for an even more prompt apprehension of sound currency principle with regard to token coins.

rate to 47,104 *l.* They realised on sale in London in November 1876 the net sum of 44,300 *l.*, after deducting all charges.

From the newspaper reports of the debates on the measures taken by the Colonial Government, it will be seen that there was a desire expressed in the Colony for a specie dollar on grounds of convenience, and that a certain proportion of the community, not realising the essential nature of a *token* coinage of silver representing gold, welcomed the incoming of coins in which it was possible to pay the dollar of account with a single piece of money, instead of three (at least) as heretofore. Had their views been adopted, British Guiana would have passed, like British Honduras, to the category of silver-using countries, such as India and China.

The present currency of British Guiana consists of British token coins, silver and bronze, and notes of the British Guiana Bank and the Colonial Bank, together with a dwindling stock of the old guilder tokens. As there is no limit on the legal tender of silver, gold is driven from circulation, though held to a certain extent by the two banks. For practical purposes therefore British Guiana stands on the same currency footing as the bulk of the West India Islands, and consists in practice of sterling tokens only. Accounts, however, are kept in dollars and cents (*see* under Barbados), both by the Colonial Government and by the community at large.

Mention has already been made of the ancient custom of the "masses" to reckon by "Bits" in British Guiana. The bit originally represented a quarter of a guilder; and as in 1840 the guilder tokens were rated at 1 *s.* 4 *d.* per guilder, the bit has thenceforth been identical with a British fourpenny-piece, As the British fourpenny-piece, though still legal tender in the United Kingdom, has been practically withdrawn from circulation at home for many years, the Colony of British Guiana has been unable to renew its stock of these favourite coins. In view of demands from the Colony, it was found necessary in 1891 to strike a new "groat, or four-pence" for British Guiana and certain other West Indian Colonies. Currency was given to the new coin in this Colony by the Order in Council and Royal Proclamation of 9th May 1891, which was brought into operation locally by the Governor's Proclamation of 1st July 1891. In connection with the "bit," it may be stated that the half-bit, or 2 *d.*, represents "in every-day practice the towest value attached to the purchases made from the small iraders. The quarter of a bit, a penny, is termed a 'gill,' but it is a rare instance when a 'gill' will effect a single purchase, or when any article can be purchased for a 'gill.'"

The amount of coin in the Colony on 31st December 1891 was estimated, so far as an estimate could be made, at 150,000 *l.*; and the notes in circulation on the same date were as follows:—

	£.
British Guiana Bank - - - - -	77,794
Colonial Bank - - - - - -	57,999
	£. 135,793

The notes, it should be added, are of the denominations of $5, $20, and $100. The British Guiana Bank was established by Local Ordinance No. 82 of 1836, amended by Ordinance No. 9 of 1838, and continued by Ordinance No. 6 of 1857. British Guiana is the only British Colony in which the Colonial Bank is subjected to competition in the West Indies.

Taking the population at 290,000 (in round numbers) the average amount of coin per head of the population was 10 *s.* 4 *d.*, whilst the average note circulation was 9 *s.* 4 *d.*, or 19 *s.* 8 *d.* in all.

CHAPTER X.

British Honduras.

The currency of this Colony is of interest not only in its earliest but also in its latest phases, in marked contrast to the history of currency in West Indian Colonies. The local standard of value, within little over a century from the present time, has in succession been mahogany, the gold doubloon, the British shilling, the fractional parts of dollars, and, lastly, the Guatemalan dollar. On the whole, it may be said of the Colony that its currency has uniformly been based rather on convention than on law; popular agreement being the dominant factor in its procedure. On a small scale, British Honduras is one of the best instances of a country drawn insensibly into the currency area to which it belongs both by geography and trade relations. It will be seen that it was against their judgment, and only under the stress of facts, that in 1885 the local merchants surrendered a gold standard and adopted the silver standard in force among the neighbouring states.

(i.) 1765—1825.

The first article of the popular Convention of 9th April 1765 (with which law began in British Honduras) provides that "whoever shall be found guilty of profane cursing and swearing shall . . . forfeit and pay for every such offence the sum of 2 *s.* 6 *d.*, *Jamaica currency, or the same value in merchantable unchipped logwood.*" In May of the following year it was expressly provided that "all debts contracted in the Bay of Honduras shall be payable in logwood, unless there shall be a special agreement made between the parties in writing to the contrary." The same Meeting of 1766 imposed penalties of "5 *l.* logwood currency," and "50 *l.* Bay currency," apparently using the terms indiscriminately, and provided that "no appeal be allowed from this court to any other, for any sum under 200 *l.* Jamaica currency."

Putting the above facts together, it will be seen that, as might be expected from the intimate relations which subsisted between the Bay and Jamaica, the currency of the latter Colony was familiar to British Honduras in 1765, and indeed in force there; but that exchange was consciously and avowedly by commodities. The fact that the standard commodity of the Bay was so bulky an article as logwood did not prevent the Settlement from using it, as West Indian Islands used sugar, &c., for the purpose of a currency (so-called); and in British Honduras, as in such West Indian Islands as the Leewards, the liberal price fixed by the inhabitants for their own staple, appears to have kept

coin out of the country, leaving the early currency of the Bay on a purely mahogany basis.

The extent to which the staple commodity was over-valued by the Baymen may be inferred from the fact that (i.) the penalty of 5 *l.* Jamaica currency, imposed in 1787 on high prices for turtle, had been expressed in 1766 as 20 *l.* Bay currency; and (ii.) the fees of the Clerk of the Court ordered in 1766 to "be settled at four times the amount of the same services in Jamaica, as settled there by law, and that the same be Bay currency." It should here be added that in 1803 a public meeting, wishing to express in Jamaica currency a fine of "20 tons of merchantable unchipped logwood," resolved that, "in consideration of the value of logwood at the period when the said law was made (*i.e.*, 1765), the sum of 40 *l.* cash be a fine to be paid in future."

The currency of logwood on the above system, by which apparently Bay currency was worth only a quarter of Jamaica currency, necessitated a reform some 20 years later, as is shown by the resolution of "a meeting of the inhabitants at the mouth of the River Belize, by appointment, the 12th day of June 1784": —"Resolved, that all business in future shall be kept and transacted in Jamaica currency, and all former debts contracted in Bay currency shall be reduced to Jamaica currency, be paid and received at the established price which may prevail at the time that such payment is made." The latter words of the resolution are further explained by the words of another resolution of the same date, which runs as follows: "Resolved, that the established price of mahogany shall be 15 *l.* per 1,000 feet; that all wood under 15 inches shall be deemed unmerchantable, and not admitted in payment for debts; that the established price of logwood shall be 6 *l.* per ton for chipped and 4 *l.* per ton for unchipped logwood; and that such prices shall continue in force until the 1st of June 1785."

The currency of the Bay was now on a metallic basis. As the system adopted was that of Jamaica, British Honduras suffered under the same disadvantages as that island from the over-rating of gold, and the consequent dearth of silver coin. Details of the currency of Jamaica will be found in the chapter dealing with that Colony; it will be sufficient here to state that the basis of the Jamaica currency was the rating of the Spanish dollar at 6 *s.* 8 *d.*, and the conventional rating of the gold doubloon, not at its legal rating of 5 *l*, but at a conventional rating (in accordance with the monetary system of Spain) at $16, or 5 *l.* 6 *s.* 8 *d.* Whilst it may well be that the neighbourhood of the Spaniards to British Honduras favoured the latter Colony in the supply of silver coins so long as the Spaniards retained authority over their American Colonies, there is direct evidence that after the outbreak of the Revolutionary Wars, from 1810 to 1820, British Honduras suffered like Jamaica from the cutting off of the usual supplies of the Spanish coin which formed its currency.

(ii.) 1825—1887.

When, in 1825 (*see* page 23), the Imperial Government made its attempt to introduce British silver into general circulation throughout the Colonies, Jamaica set aside the (mistaken) ratings of the Imperial Government, and instead of rating the British shilling as 3-13ths of the dollar, rated it as a quarter-dollar, or 1 *s.* 8 *d.* currency. The result was to make the British shilling bear its just proportion of 1-64th of the standard gold doubloon, then worth 64 *s.* sterling. Consequently Spanish silver was barred from circulation altogether, and the circulating medium consisted of doubloons and British token silver. British Honduras copied Jamaica in this proceeding. There is no trace of any formal Proclamation in British Honduras of the rates laid down by the Imperial measure of 1825; but it was stated in 1827 that the shilling, known in British Honduras as a "Maccaroni" or quarter-dollar (*see* note, page 110), was in circulation and remedied an inconvenient dearth of small silver.

When, in 1838, the Imperial Government introduced its remedial legislation, whereby the silver dollar was rated at 4 *s.* 2 *d.* and the gold doubloon at 64 *s.* for concurrent circulation with sterling, the magistrates and merchants of Belize deprecated any change being introduced into their currency system; "for, the present arrangement was not to be surpassed in any of the Colonies." But nevertheless the Superintendent formally promulgated the Imperial Order in Council and Royal Proclamation of 14th September 1838 (*see* page 27); though he rendered the measure nugatory by "refraining from issuing any subsidiary Proclamation declaratory of the proportionate value in money of account of the maccaroni, the dollar, and the doubloon; those being already fixed previous to the issue of the Proclamation on the most approved and equitable principles, viz.:—

	Currency. £.	*s.*	*d.*
Doubloon	5	6	8
Dollar	–	6	8
Maccaroni	–	1	8

"The lowest coin we have here" (adds the Superintendent) "is a fivepence; equal to 3 *d.* sterling," *i.e.*, half a Mexican real.

Under pressure from home, Colonel Macdonald, the Superintendent, eventually issued, on 21st June 1839, a Proclamation declaring the following ratios:—

	Sterling. £.	*s.*	*d.*	Currency. £.	*s.*	*d.*
Doubloon	3	4	–	5	6	8
Dollar	–	4	2	–	6	11½
Maccaroni	–	1	–	–	1	8

The Imperial Government took some umbrage at the title given by the Governor's Proclamation to the Imperial shilling, and pressed for an amended Proclamation. But there is no evidence forthcoming that the amendment was carried out. And it is certain that, whether or not the designation of the shilling was

altered in a subsequent Proclamation of the Governor, the inconvenient and unworkable rating assigned to the dollar was never observed at any time in the history of British Honduras. Nor did the community at any time recognise any other rating than the old one which they had borrowed from the popular usage of Jamaica, viz., 4 *s.* per 'dollar' (= 1 doubloon).*

In the next decade the only fact in the currency history of the Colony was the passing of a local Act (12 Vict. c. 6) declaring the copper coins of Great Britain a legal tender within the limit of 1 *s.* It was recited in the Act that "doubts existed relating to the circulation and currency of British copper coins within this Settlement," a doubt which probably had taken its origin from the refusal of the natives to take copper in 1827, and which was in harmony with the assurance subsequently given that copper would rust in the climate!

The middle of the century witnessed the great discoveries of gold in California and Australia, which led to the issue, under Order in Council, of the Royal Proclamation of 19th August 1853, rating the United States gold dollar at 4 *s.* 1 *d.*, and the eagle at 41 *s.* This Proclamation was brought into local operation by the Superintendent's Proclamation of 23rd November 1853, as from 1st December following. The measure was only so far observed as to rate the eagle at $10.25, the gold dollar itself being rated at $1, *i.e.*, 4 *s.*

On 21st February 1855 the Colony passed the Act 18 Vict. c. 16, "to alter and define the currency of this Settlement." This Act, which recites that "it is expedient to substitute a more convenient legal currency for that at present in use," prescribed that—

(i.) Public accounts were to be kept in dollars and rials.

(ii.) All legal process should so state all sums of money.

(iii.) "Such dollars shall be computed at the rate of 4 *s.* of sterling money of Great Britain for each dollar, and such rials at one-eighth part of the said sum."

"Provided that this Act shall not be taken to affect the value of any particular coin or coins, declared of greater than its or their nominal value by any Proclamation of, or by Order of, Her Majesty, nor have the effect of depreciating or raising the value or any specific coin or coins of any foreign country, circulated under the name of dollars or rials, but being of greater or less intrinsic and commercial value than is hereinbefore nominally affixed to dollars and rials, commonly current in this Settlement."

A further provision of the Act abolished the old Jamaica currency, which was by this time obsolete.

* In the case of Carter *v.* Brodie the Supreme Court of the Colony decided, on 20th April 1885, that there was no evidence forthcoming (in the Colony) of a local Proclamation having been published, rating the Mexican dollar at 4 *s.* 2 *d.*

The denomination of rials was abolished in the money of account thus established by the passing of the Act 27 Vict. c. 20, which directed that the local currency should be reckoned in "dollars and cents."

In 1870 the currency consisted in practice (i.) partly of gold doubloons current at their legal rate of 64 *s.*, but (ii.) chiefly of silver coins. These silver coins included (i.) British tokens, (ii.) United States half and quarter dollars, (iii.) halves and quarters of Spanish, Mexican, and Columbian dollars, and (iv.) the silver coinage of Guatemala and other Central American States. An average sample of silver in two parcels of 40 *l.* each gave the following results in 1870:—

	£.	*s.*	*d.*
British silver	28	4	–
Spanish, Mexican, or Columbian dollars and parts.	11	16	–
United States half and quarter dollars.	21	17	–
Guatemalan dollars and parts	18	3	–
Total £.	80	–	–

It was stated at this date that much of the coinage, especially the old Spanish, and the British tokens, was much worn and defaced; and that the Guatemalan dollar had gradually crept in, though unauthorised.

In a similar sum of 80 *l.* examined in 1876 the following were the proportions:—

	£.	*s.*	*d.*
British silver	8	8	–
Spanish, Mexican, or Columbian dollars and parts.	12	16	9
United States silver	29	10	–
Guatemalan dollars and parts	18	13	3
Peruvian dollars	10	12	–
Total £.	80	–	–

By 1876, when the gold price of silver had fallen to a low figure, the amount of gold in circulation was practically *nil*; it had all been shipped out of the country for remittances. And the result was the more marked in its effects in British

Honduras because the rating of 4 *s.* per dollar had previously kept out the Mexican dollar (the only dollar, other than the Spanish, which was really legal tender). The new so-called dollars of the neighbouring Republics had been introduced with a facility which was readily explicable by the fact that they were intrinsically mere replicas of the five-franc piece, without any standard gold coin behind them to give them a representative value higher than the gold-price of their fine content. And as the gold-price of silver continued to fall, the Guatemalan dollar sank to be worth scarcely 3 *s.* 4 *d.* sterling. By 1878 it was stated that there was not in the Colony a single doubloon or other gold coin of full weight. The currency consisted exclusively of silver coins, and no silver dollars in the Colony were worth in sterling more than 3 *s.* 4 *d.*

The controversies which now raged round the question of the Colony's currency are too recent to be discussed in detail. The local merchants (by advertisement dated the 1st of April 1879) published their agreement to receive coins at the following rates :—

	Dols.	cents.
Peruvian, Guatemalan, and Chilian dollars at	0	87½
Mexican dollars at - - - - -	0	93¾
Doubloons of full weight at - - - -	16	37½
American (*i.e.*, United States) gold coins at 5 per cent. premium, *i.e.*, per dollar - -	1	05
English gold coins at 2½ per cent. premium, *i.e.*, the sovereign at - - - -	5	12½

Under this "double standard" the currency of the Colony would have passed from silver to gold whenever the gold price of silver rose to 53·5 *d.* per ounce, and would have fallen again to a silver standard whenever the price of silver fell below the same figure. And among the gold coins the sovereign would have been driven out under any circumstances by the doubloon and the eagle. Moreover, to repay seven Guatemalan dollars, borrowed on 31st March 1879, would have required on 1st April no less than eight of the same coins. Such was the merchants' original proposal for remedying the evil "and influencing the introduction of a standard gold currency in place of a depreciated silver currency."

Subsequently, by an agreement among the merchants, to which the Governor became a party, it was arranged that, whilst the Mexican dollar should be taken as 100 cents, the Guatemalan and Chilian dollars, with the Peruvian sol, should pass for only 87½ cents, but that all half and quarter dollars should continue to pass as 50 and 25 cents respectively. Hence, in a very little time, the unfortunate Colony was flooded with fractions of Guatemalan and other dollars of the five-franc type. On 7th May 1885 twelve of the principal mercantile houses advertised that they would receive and pay the Peruvian and Chilian and Honduras dollars at 100 cents. A public meeting endorsed this new policy, and rated the Mexican dollar at 106¼ cents, with the liberal limit of $500 on the tender of fractions of dollars.

And so distinct was the public opinion of the day in favour of silver monometallism that nobody voted, except the proposer and seconder, for an amendment in favour of the British gold sovereign as the standard. British Honduras had, in fact, recognised that, as almost the entire commerce of the Colony lay with countries to the south, the coins of the Central American Republics must necessarily dominate British Honduras also. It only remained to pass the necessary legislation.

(iii.) 1887 onwards.

By Royal Proclamation under Order in Council of 15th September 1887—

(i.) all previous legislation was revoked;

(ii.) the Guatemalan dollar was made the standard of value;

(iii.) the Venezuelan, Chilian, Columbian, and Uruguayan dollars, with the Peruvian sol, were rated as equal to the Guatemalan dollar;

(iv.) the Mexican dollar was rated at 108 cents;

(v.) fractions of the above coins were rated proportionately, with a 50-dollar limit of legal tender; and

(vi.) the bronze cent, which had been authorised for the Colony by Order in Council of 19th May 1885, was made a legal tender up to half-a-dollar.

The Colony also proceeded to legislate on its account, by passing, on the 24th November 1887, Ordinance No. 8 of 1887, which (i.) repealed the Acts 12 Vict. c. 6, 18 Vict. c. 16, and 27 Vict. c. 20, and (ii.) re-enacted that accounts should be kept in dollars and cents. And as the statutes were being consolidated at this stage, the above re-enactment was combined with the provisions of the Royal Proclamation of 1887 to form Chapter LXVIII. of the Consolidated Statutes.

As difficulty was experienced in connection with the currency of the Mexican dollar at eight cents above the standard Guatemalan dollar, Ordinance No. 1 of 1889 was passed on 8th January 1889, demonetising this coin and its parts. The Ordinance also demonetised (as not being in popular favour) the Venezuelan, Uruguayan, Columbian, and Honduras dollars, with their parts; but provided that up to 12th January any of the demonetised coins could be exchanged at their old legal values. So great had been the influx of Mexican dollars from neighbouring countries (where they were undervalued), that no less than 245,737·5 of these coins were exchanged, the premium amounting to nearly $21,000. Some dissatisfaction having been expressed at the demonetisation of the whole Honduras dollar, the Colonial Government undertook to receive this coin as before; and the Honduras dollar is consequently current, though not a legal tender. Legally, only the Guatemalan dollar, the Chilian dollar, and the Peruvian sol (with their fractions) remain a legal tender in the Colony.

The only coin peculiar to the Colony is the bronze cent., of which the following amounts have been struck at the Royal Mint for the Colony, viz., $720, in 1885; $1,000, in 1888; $500, in 1889, making $2,220 in all in nominal value.

It may here be mentioned that it has long been the custom in this Colony to make up paper packages of $50 and $100, and bags of $250, $500, and $1,000, initialed by the issuing firm, and marked with the weight; and that such packages and bags pass current without being opened. A mistake discovered is always rectified.

So far as could be estimated, the total amount of coin in circulation in the Colony on 31st December 1891 was about $500,000, of which (roughly) 35 per cent. may be taken to have been in Guatemalan dollars (and their parts); 55 per cent. in Chilian Dollars, and Peruvian Sols (and their parts); and the balance in Mexican and Honduras Dollars (and their parts) in equal proportions. Taking the population on the same date at 32,000, the average amount of coin per head was therefore $15·62.*

There is no Bank in the Colony, and no paper money† at the present day. In the words of the Annual Report on the Colony for 1892,‡ "the inconvenience of this bulky coinage (silver dollars) is considerable, and the payment of large sums can only be made by mule-cart, or by the employment of robust porters. The Colonial Government accordingly contemplate taking steps for the issue of silver certificates, based on a specie reserve and investments, which it is believed will be of very great convenience to the public."

At the moment of going to press, information has been received that of late the trade with the Central American Republics has been dwindling, whilst that with New Orleans has been increasing. It is represented that, practically, all imports now come from New Orleans, whilst all exports go the United Kingdom. Consequently, it is stated, the experiences of a silver standard are stimulating currency discussion; and there is a growing agitation in favour of chopping round again and of adopting as the standard the gold dollar of the United States.

* With regard to the Corosal district, the "Colonial Guardian" of 11th June 1892 says: "This district has a currency all to itself, viz. 'holey' money, *i.e.*, dollars (which only pass for 88 cents), half-dollars, shillings, sixpences, and 'fippences' (= threepenny bits, as in Jamaica), all with one or sometimes two holes in them. As the Yucatecans never bury these, we've always got a good supply of counters to deal with."

† The only paper issues of which there is any evidence to be found, consisted of paper-tokens put in circulation some ten or twelve years ago by the Chinese, at a time when great inconvenience was felt from the dearth of small change.

‡ Colonial Reports—Annual No. 19. British Honduras (C. 6563,—3).

CHAPTER XI.

FALKLAND ISLANDS.

(1842.)

The history of currency in these obscure islands is comprised within the last half century, and affords an exact parallel to that of the West Indies in its existing conditions.

When the British Government was formerly established, it was stated that the "paper dollars" of M. Vernet (a subject of the Argentine Republic, who was expelled the islands prior to their final occupation by the Imperial Government) were in general circulation, but were unpopular among the Gauchos, and "great difficulty was experienced in procuring cash for Government Bills." Sterling denominations of money were in vogue; but dollars and doubloons, imported from Rio de Janeiro or received from ships, were the chief coins seen by the 78 inhabitants of the Falklands. On 31st March 1842, the Governor reports having received "1,183 dollars and 8 *d.*, equal at 4 *s.* 4 *d.* the dollar" (the old rate of 1825) "to 256 *l.* 7 *s.*"; and on 6th April of the same year "one bag, containing 44 doubloons and 247¼ silver dollars," was received by the Island Government from Rio.

Owing to the dearth of specie, the Governor, in 1844, issued a temporary paper currency, to the nominal value of 1,000 *l.*, in the following denominations :—

Description of Note.	Number Issued.	Total Amount in Dollars.	£. s. d.	——
¼-dollar notes - - -	210	One hundred and five - -	22 15 -	The dollar being at 4 *s.* 4 *d.*
One „ „ - - -	130	One hundred and thirty -	28 3 4	
Five „ „ - - -	170	Eight hundred and fifty -	184 3 4	
Ten „ „ - - -	43	Four hundred and thirty -	93 3 4	
Twenty-five dollar notes -	64	Sixteen hundred - - -	346 13 4	
Fifty „ „ -	30	Fifteen hundred - - -	325 - -	
One shilling and eightpence	1	One shilling and eightpence -	- 1 8	
		£.	1,000 - -	

With regard to these notes, the Governor furnished the following explanation on 2nd April 1844 :—"Had I not issued them there would have been no circulating medium whatever in the Colony, and in fact the whole machinery of government must

have stopped. I endeavoured to proceed without resorting to such a step as long as possible, but the confusion and difficulty increased to that degree that I hesitated no longer. The notes are of the most primitive character, written by hand at some trouble; they are signed by myself, 'on the part of the Colonial Government,' and made payable to bearer, but all the circumstances were well understood in the Colony. No specie payment was expected, and, contrary to my fullest expectations, very little dissatisfaction has been expressed. No doubt the appearance of these notes and the character of their negotiation may be different to anything of a similar nature in England or elsewhere, but everything here is at present of the most primitive character. When a trader arrives he is informed that upon leaving the Colony, if he brings any of these notes which may be in his possession to the Government office, he will receive a Treasury bill in exchange, which is accordingly done. £.1,000 is thus in circulation, and will be called in immediately that I receive specie, though very many will not be forthcoming, as I know of many being accidentally, and on one occasion a large number being thoughtlessly, destroyed. As I hope to receive specie in about five months, I propose to give until 31st of March 1845 to individuals to present these notes and close the accounts, passing to the credit of Government the balance* of notes not presented."

A year or two later, as coin was still scarce, orders were received from home to pay salaries by bills on the London Treasury. This occasioned much discontent among the officials.

Up till 1849 the dollar had passed in the Falklands at its 1825 (mis-)rating of 4 *s.* 4 *d.* sterling. On 31st July 1849, however, the Governor, acting on instructions, issued a Proclamation declaring the Spanish doubloon and dollar worth 64 *s.* and 4 *s.* 2 *d.* sterling respectively, but providing that none but perfect coins should be received or paid. It was about this date, when the rising gold-price of silver finally banished silver dollars, that sterling coins were introduced (chiefly by the Government in the first instance), and established as the normal circulatory medium of the Falkland Islands. In 1860 the Governor represented that "the specie lately received, viz., 1,000 *l.*, has been all absorbed in general circulation; and it is now with much difficulty that sufficient cash can be procured in exchange for bills to meet the advances required monthly for the pay of the garrison and for the necessities of the Civil Government." As he had "advertised for specie in the Colony in the most public manner, but had not received any tenders in reply," he asked, after an abortive attempt to import Spanish dollars from Monte Video, that "a sum of 2,000 *l.* may be sent from England, chiefly in old Crowns or Half-crowns, for the service of the ensuing financial year. . . . Old Half-crowns are the coins least likely to be sent away from the Colony in the course of trade, on account of the heavy loss attending the exchange."

Ten years ago, though sterling coins formed the main circulation, foreign coins were commonly seen at Stanley:—U.S. gold

* All the notes, except about 30 *l.* worth, were presented and redeemed.

and silver coins passing at 4 *s.* per dollar; Mexican, Uruguay, Monte Video, Chilian, and Peruvian silver dollars, with French 5-franc pieces, at 4 *s.* each; together with Portuguese gold and Brazilian silver at like rates of 4 *s.* per dollar.

With the exceptions (i.) that in 1863 counterfeit Chilian and other coins were found in circulation, and (ii.) that on 30th January 1867 the Imperial Order in Council and Proclamation of 1866 relating to Sydney gold (*see* page 29) was published and brought into local operation, there has been no change in the currency of the Falkland Islands in law.

Until the last few years the circulating medium of the Falklands consisted almost entirely of British gold, and silver was scarce; but the exportation of 2,000 *l.*, raised on sale of bills by a British ship of war, reversed these conditions. Now, the only coins seen are British silver and bronze tokens.* Gold, is very rarely found in circulation. If a gold coin finds its way into private hands, the holder retains it for the profitable purpose of exchanging silver for shepherds emigrating to Patagonia as sheep-farmers, who are ready to give as much as 7½ per cent. premium for gold to carry with them to the mainland.

The fact that the Royal Mint pays freight and insurance on tokens imported, encourages the importation of silver and bronze rather than gold. And, further, since British silver is practically useless at Sandy Point and Monte Video, the absence of gold coins, ensured by the unlimited legal tender of silver, fortifies the local monopoly for the sale of stores.

There are no banks or paper currency.

It is estimated that the total stock of coin in the Colony is about 5,000 *l.*, of which only some 2,000 *l.* is in "active" circulation, or perhaps 1 *l.* per head of the total circulation.

* At the present time the only foreign silver coins are some 20 or 30 U.S. half-dollars, together with a solitary Portuguese 200-reis piece, which is unpopular.

CHAPTER XII.

THE BERMUDAS.

(1609.)

THIS Colony ("a connecting link between the British Colonies in North America and the British Colonies in the West Indies") has the distinction of having been the first of existing Colonies to strike a separate coin for its own exclusive use.

In the Commission of the Virginia Company* to Richard Moore, dated the 27th April 1612, there is contained a promise that "by the next supplie there shall be a Coyne sent unto you w^th^ all convenient opportunitie, together w^th^ the rates and value thereof." But there is no evidence to show that any money was actually struck by the Virginia Company.

On the re-grant of the Islands to the Somer Islands Company by James I., the Letters Patent of the 29th June 1615 expressly "give and grant to the said Governor and Company and theire successors, that they shall and lawfully may establish and cause to bee made a Coyne to pass currant in the said Somer Islandes betweene the Inhabitants there, for the more ease of commerce and bargaining betweene them, of such mettall and in such manner and forme as the said Governor and Company in any of the said generall Courts shall limitt and appoynt." Action was speedily taken under these powers by the new Company. For, the Instructions to Governor Daniel Tucker of the 15th February 1616, state that the Company had "appointed a base coyne, w^ch^ we send rated w^th^ our prouisions, whereby you may give to such men there (sc. as declined profit-sharing) weekly wages when they worke, w^th^ w^ch^ coyne y^t^ shall be lawfull and free for them to buy any prouisions out of the Store or any ffishe corne tooles, or any other thinge in the Islands where they can gett the same. And to that end you shall proclaime the said Coyne to be currant to pass freelye from man to man only throughout the Islands and not otherwise." The currency of these coins, and their description, is stated (with reference to the years 1616–9) in the following passage of "The Historye of the Bermudaes": "A certaine paye of base-mony (deliuered unto the Governour by the Com-

* For this and other particulars of the history of the Bermudas up to 1687 see the elaborate "Memorials of the Bermudas," by General Sir J. Henry Lefroy (London, 1877), and the same author's "Historye of the Bermudaes," edited for the Hakluyt Society in 1882 from a MS. attributed to Captain John Smith.

† "The Bermooda is the most plentiful place that ever I came to, for ffishe, *Hogges*, and ffowles." (Letter of Sir George Somers to the Earl of Salisbury 20th June 1610). From Oldmixon's "British Empire in America" it appears that "some have fancied the Islands derived their name from the Hogs, *Bermudas* signifying in the old Castillian dialect a Black Hog."

pany), and which haueing a hogge stampt upon it on the one side (in memory it should seeme of the great number of wild swine† found vpon the Ilands at their first discouery) was, in a scoff, tearmed by the people hogge mony."

Such was the origin of the ancient and rare brass* hog money of the Bermudas, having (i) on the obverse a wild boar in a beaded circle, with the inscription *Sommer Islands*, and (ii) on the reverse a ship under sail with the Cross of St. George flying from four mastheads. Above the "hog" is a numeral XII., VI., III., and II.,† representing the denomination in pence. Sir J. Lefroy is of opinion that these interesting, if flagitious, coins "can never have been issued to any extent, or they would not now be so exceedingly scarce." This view is supported by the words of Captain John Smith in 1624, that "beside meat, drinke, and cloaths, they had *for a time* a certaine kinde of brasse money with a hogge on the one side, in memory of the abundance of hogges was found at their first landing." ("The Generall Historie of Virginia, New England, and the Summer Isles," London, 1624.)

Barter.

Apart from the insignificant supply of "hog money" the currency of the Bermudas under the domination of the Somer Islands Company (*i.e.* until 1684), was principally tobacco. It was in this commodity that the "Martial Officers at the Towne" (St. George's) were paid from 1620 onwards, and artificers‡ in 1623; in 1627 the acting of interludes, &c., was subject to a penalty of 20 lbs. of tobacco, a fine of 10 lbs. being at the same date imposed on the "sale of any figgdrinke to apprentices"; in tobacco housewives reckoned their marketings, and tenants paid their rents; § and with tobacco fines, eked out by lashes, the Government battled against the social irregularities of the islanders. At the beginning of the second half of the 17th century the currency of tobacco appears to have been at its height. From 1658 onwards coin tended to supplant tobacco for external, if not for internal, payments, as will be seen, *infra*, from the legislation relating to coined money. There remain to be noticed the following enactments as to the currency of tobacco in the closing years of the 17th century.

In 1670 it appears that "payment in tobacco for Accommodation of persons at the Assizes not haveing given content to some persons in St. George's; It is unanimously Ordered, That tobacco in all cases be the payment, and not to be refused for

* Brass was a term for what we should now call mixed metal or bronze.

† Possibly there was a penny also, on analogy with (*e.g.*) the coinage of Maryland (*see* p. 6).

‡ Who soon raised "a generall complainte that they have been paid with base tobacco for their labours, being such as they could put off for no commodities thy stood in need of."

§ "Such is the Mould that the blest Tenant feeds
On precious Fruits, and pays his rent in Weeds."—
Waller, "The Battle of the Summer Islands."

current payment, according to such value or estimate as it shall be pitched uppon at the tyme of Division.* And the goodness thereof to be Judged (if occasion require) by two substantiall men of the Tribe where it is paiable, or at St. George's." And in 1694 the pay of the Guard of the Castle and "Pagitt's Fort" was fixed in "current money or tobacco at price current." A retrograde step was taken in establishing a *fixed* rating of tobacco on 31st October 1698, when, under keen stress of Virginian competition, the despairing planters of the Bermudas passed the following Act: "for settling a Current Value on Tobacco of the growth of these Islands;—"Forasmuch as the Incouragement of the Planting of Tobacco is of great Use and Advantage to these Islands, and has been a Principal Manufacture here, for Imployment and Improving of Navigation, Promotion of Freight, and also the proper Medium of Trade and Concern: Now to the intent the Planter may not be totally Discouraged and the aforesaid Ends, plainly tending to the Promotion of the Publick Good and Interest, wholly Frustrated; Be it therefore Enacted by the Governor, Council, and Assembly, and hereby it is Enacted by the Authority of the same, That a fixed and settled Value and Price Current be set and put on all Tobacco of the growth of these Islands (that is to say) That all Tobacco being Merchantable, of the growth aforesaid, shall and may go and pass Current Payment to pay and fully to satisfie all Debts Contracted from and after Publication hereof, at the Rate and Current Value of Three Pence per Pound; only excepted all and singular other Contracts made to the Contrary thereof."

COIN.

Side by side with Tobacco, Spanish † silver circulated in the 17th Century in the Islands. For the most part, this metallic currency appears to have been derived, in early years at all events, from wrecks and wrecking.‡ The occurrence of the Piece of eight and its early underrating at 4*s.* (cf. Barbados and Jamaica) are shown by the following Council Minute of April 1653:—"It was then taken into consideration what inconveniences doth insue by reason that Spanish moneyes do not pass betweene party and party as formerly y^t^ hath done. And (being) debated, y^t^ was ordered that pieces of Eyght should pass for 4*s.* per piece for current payment betweene man and man, so they do

* When an annual rating was struck.

† Some British coin circulated in the earliest years, for, in 1618.—"Thomas Fosbrooke, gouldsmith of Smith's Tribe, did not forbear to melt the King's Ma^te^ Coyne of Gould & Silver into Bodkins, Eare-wyres, and such like unprofitable and unnecessarie commodities."

‡ "Wee the grand Inquest doe present that whereas it comes to passe that sometymes Shipps fall upon these Coasts and are distressed, w^ch^ when our Inhabitants doe perceive they presently goe aboarde them & then by fforce & in a voyelent way Take & carry awaie what they can come by and fall A cutting & haleing down the Rigging tearing down the Sailes even to the Amazement & the astonishment of the shippes Companyes." 7th Dec: 1652. ("Memorials," II. 35.).

not appear to be apparent brasse or copper.* And alsoe all other Spanish to passe as formerly without refusal by any manner of persons." This Minute, which led to a Governor's Proclamation on 26th April 1653, is valuable as indicating (i) that, like Barbados and Jamaica, the Bermudas based their first "denominational currency" on a sixpenny rating for the Real, making 4*s.* for the Piece of Eight, and (ii) that the latter coin, being worth 4*s.* 6*d.* sterling, could not be retained in concurrent circulation with tobacco. The underrating of Spanish silver forced the local Government, five years later, to raise its denominational value; and, as in Barbados and Jamaica, the rise was 25 %. For, at the Assizes of June 15–17, 1658, "it was presented for consideration of the Gouernor and Counsell that some course might be taken for restreyning men from putting off pieces of eight to seamen, who ought by o^r orders here to lay y^t out amongst vs, and to continue still in comfortable commerse one w^th another as yt was fformerly. Yt was herevpon ordered that all peeces of eight w^ch formerly passed current for 4*s.* per peece shold henceforward pass current betweene party and party at 5*s.* per peece, provided they are silver; and that this be immediately published throughout the Tribes."

The same enhanced rating was re-enacted in greater detail in January 1663, as appears from the following:—"Wee the generall Assembly finding great preiudice to our Inhabitants, and much decay in Trade by reason of the want of monie which of late years haue bin carried and conuaied away both by Inhabitants and strangers. It is therefore enacted Etc. That all peeces of coyne commonly called and knowne by the name of pec[illegible] of eight being good silver shall bee of the full value of ffiue shillings sterling per peece. And euery half peece of eight shall bee of the full value of two shillings sixpence sterl. and euery Spanish shilling or quarter-peece of eight shall bee of the full value of ffiueteene pence sterl. And every Spanish sixpence† or eighth part of a peece of eight shall bee of the value of seuen-pence halfepenie. And they shall soe passe from person to person in buying or selling or payment of Debts for the time to come. Alwaies provided that what debts haue bin heretofore contracted shall bee paid in peeces of eigh[illegible] at ffoure shillings per peece. And bee it enacted Etc. That Noe commander of ships or (Barques carrying) Passengers for the time to come shall transport or carie away with them in their ships or Barques aboue the value of ffiue pounds, vppon doble the forfeiture of all such some or somes of monie then afore expressed that shall bee found or discouered to be imbarqued: one half to the Informer, the other halfe to bee expended in publique vses."

The export of coin still continuing, the Company on 10th February 1668 passed the following "Law for raissing y^e value of Spanish Coines":—"The Company takeing in consideration

* As to the prevalence of counterfe[illegible]ins on the mainland at this date, *see* page 9, with reference to the establishment of the New England Mint in 1652.

† As is pointed out above, this is the key to the early 4*s.* rating of the Piece of Eight.

the great prejudice wrought to the Plantation of the Somer Islands by export of y^e^ money there by Strangers tradeing for provisions, hides, oyle, iron, Etc., for prevention whereof Bee it enacted and ordained that all peices of Spanish Coynes comonly called or knowne by the name of peeces of Eight (that is to say) Sevill, Mexico and piller peeces shall from and after the publication hereof be of the full value of ffive shillings & of fower pence sterl: y^e^ peece and ordinary piller peeces of eight called peine peeces shal be of the full value of ffower shillings eight pence sterl: y^e^ peece and the halfe peeces and quarter peeces of either sort to be of the value in like proportion and shall soe passe from pson to pson in the buying or selling of any Comoditye, or the paym^t^ of any debt or in any other manner of way wherein money may be used within the said Islands. And the Governo^r^ and Councell in the said Islands are ymediately upon the receipt of this Law to cause a Proclamation to be made thereof in all places as is usuall in the like case throughout y^e^ Islands and take care that the Inhabitants doe duely observe and pforme the same accordingly."

From 1668 to 1707 there is no evidence forthcoming as to currency. But analogy with Jamaica and other Colonies supports the following conjectural history of the changes leading up to the undermentioned Act of 1707. In the first place it will have been seen that silver passed by *tale*, weights not being specified,* and that the rating of the piece of eight had always been correlated with a proportionate rating of the real. When the latter coin was 6 *d.*, the piece of eight was 4 *s.*; the raising of the piece of eight to 5 *s.* in 1658 entailed the raising of the real to 7½ *d.*; and the foregoing Law of 1668 gave a rating of 5 *s.* 4 *d.* to the piece of eight which presumes the 8 *d.* rating for the real.† At each step, it will be observed, the rating was so fixed as to allow of a valuation of the real in a round number of pence and halfpence. Consequently, when in 1686 Spain made 10 reals of "new plate" equal to the piece of eight, the Bermudas, retaining the old 8 *d.* rating for the new real, raised the denominational value of the piece of eight from (8×8) *d.* to (8×10) *d.* And the new currency value of the piece of eight at 6 *s.* 8 *d.* was the reason why the Islanders' practices conflicted with Queen Anne's Proclamation of 1704, limiting the currency value of the piece of eight of 17½ dwts. to 6 *s.*‡ To get over the difficulty, the Bermudas decided in 1707 to adopt a gold, instead of a silver standard, but only so long as the obnoxious Proclamation was in force! The Bermudas have the distinction of being the first to defeat the Royal Proclamation by legal weapons.

* There was a local Act passed in 1704 prohibiting the clipping of Spanish money, which is proof of light silver circulating here, as elsewhere in the British "Plantations," at the beginning of the 18th Century.

† This may also be inferred from Governor Popple's rating of the pistareen (of two new reals) at 1 *s.* 4 *d.* in the beginning of the next century. (See *infra*).

‡ *See* page 14.

The following is the text of the Bermudas Act of 1707 "for settling a Current Value upon Foreign gold in these Islands" :—*

"Whereas there hath been no Current Value as yet set upon Gold, which many times causeth Disputes and Differences, in passing the same; and for prevention whereof for the future, we, therefore, Your Majesty's most dutiful and Loyal Subjects, the Assembly of these your Majesty's Bermuda or Summer Islands in America, Do most humbly beseech Your Majesty, that it may be Enacted; and be it Enacted and Ordained by the Authority of the same, That from and after publication hereof, all Pistoles of gold weighing Four Pennyweight and Six grains,† shall pass current in these Islands at Twenty-four shillings; and Half Pistoles and Chicquins‡ of gold weighing two Pennyweight and Three grains at Twelve shillings, and all Double Pistoles, weighing Eight Penny Weight and Twelve grains at Forty eight shillings each; and for every grain the said several Pistoles, Double Pistoles, Halves, and Chicquins, shall weigh more or less than is afore expressed, shall be allowed Three Pence; and that this Act be and remain in full force, for and during the continuance of Her Majesty's Proclamation for Settling and Ascertaining the Current Rates of Foreign Coin in Her Majesty's Colonies and Plantations in America, and no longer."

It will be seen that the weights set down for all but the smallest of these gold coins is less than the standard; but that the provision of 3 *d.* per grain (of difference) placed a premium of some 12 per cent. on heavier coins. It will also be observed that the Act takes as its basis the Proclamation rate of 6 *s.* per (heavy) piece of eight, making the (light) pistole worth four times 6 *s.*, or 24 *s.*, in accordance with the Spanish monetary system. With the formal adoption of a gold standard, silver was driven out and inconvenience experienced in minor traffic. The latter evil, here as elsewhere in the West Indies, was met by the appearance of the pistareen (*see* page 16), which served as the chief subsidiary coinage for internal purposes, whilst gold formed the medium of external exchanges.

The following review of Bermuda currency from 1700 to 1739 was furnished by Governor Alured Popple to the Board of Trade and Plantations on 20th December, 1739: "There never has been any Paper Money current here. I beg leave to acquaint your Lordships that all Spanish, French, or other foreign Coin

* This Act passed the Assembly and the Governor in Council on 9th May 1707, and was "published on the Town Bridge in St. George's" on the same day.

† This corresponds to the weight of 17 dwts. assigned in 1699 to the doubloon or quadruple pistole in Antigua, where a piece of eight of 17 dwts. was rated at 7 *s.* As the proper weight of a pistole on issue was 4 dwts. 8 grs., according to Sir Isaac Newton, it may be presumed that 6 *s.* in the Bermudas would purchase a piece of eight of about 16 dwts. only, which tallies with a rating of 6 *s.* 8 *d.* for a piece of eight of full 17½ dwts.

‡ So, too, the Virginia rating of the "Arabian" chequins was two pieces of eight of 16 dwts. each, as stated by Oldmixon in 1708. *See* page 397, with regard to this coin.

have always, and are now accounted, receiv'd, taken or paid at the rate of 6 *s.* 10½ *d.* p Ounce, but being often scarce, the Merchants do sometimes give a premium of 5, 6, or 8 p Cent. in order to obtain Silver to make Remittances Home. Spanish Pistereens have for some time pass'd, been receiv'd and paid by Tale at the Rate of 16 pence each, some of them weighing more, but more of them weighing less. This has been done for the ease of the Inhabitants, who by general Consent for the more easy Circulation of Money have agreed to take them from one to the other at the above Rate.

"All Spanish, Portuguese, and other foreign gold coins, are accounted, received, taken or paid, and have ever since the passing the Act for settling a current value upon foreign gold, at the rates therein mention'd. This Act was pass'd here in 1707 and is to continue in Force so long as the Proclamation enacted by an Act of Parliament Pass'd in the 6th year of Queen Anne entituled 'An Act for ascertaining the Rate of foreign coin in her Plantations in America,' shall continue in force and no longer.

"Gold and silver has always been purchas'd and sold, as follows, Viz^{t}. :—Gold for 5 *l.* to 4 *l.* 10 *s.* p ounce, and silver from 6 *s.* 10 *d.* to 5 Shill. p Ounce.

"An English guinea passes Current here for 1 *l.* 8 *s.* 8 *d.*" (*i.e.*, ⅓rd above the old rating of the guinea at 21 *s.* 6 *d.*), "an English crown at 6 *s.* 8 *d.*, and half-crowns, shillings, and six-pences in the same proportion."*

In the second half of the 18th century the Bermudas were constrained to issue paper money. The origin of this issue appears to be traceable to an Act of 1761 "for raising a sum of money for the use of His Majesty, his Heirs and Successors, as well as for the immediate arming and fitting out of two private vessels of war, &c." The "certificates" issued for this purpose, and subsequently for other public purposes (such as salaries, &c.), bore interest after six months, and were legal tender by and to the Public Treasurer "in the same manner as gold and silver

* Interesting as throwing light on the general commercial conditions of the Bermudas in the first half of the 18th century is the following extract from a Report of the Board of Trade and Plantations to the House of Lords on 23rd January 1733-4 :

"By the Returns made to Us from the Governors of the Bermuda and Bahama Islands in the year 1730, We find that the only Manufactures set up in those small Governments are the Building of Sloops, the making Hats of a Production called Plat, and a little Joiner's Work. But their Sloops, especially those of Bermuda, make the principal Article of their Commerce, and are Sold or Bartered for Provisions & Negroes in the other Parts of America and the West Indies."

This is corroborated by Oldmixon in 1741; but both industries are stated to be moribund. He adds (with reference to 1708), "This Colony produces no considerable Commodity by which the Inhabitants may be enriched, & their commerce consists chiefly in Timber and Provisions, which they send to the other Parts of America that stand in Need of them, and some Tobacco imported to England. There is a sort of pedling Retail Trade between England & these Islands, by which neither the inhabitants of the one place or the other grow much the richer. Our diet is but ordinary; the People are generally poor, & I observe that poor People are most healthful."

monies now are." The absence of definite information as to Bermuda currency, and as to the amounts of "certificates" outstanding from time to time, makes it matter of conjecture how far this paper money affected the rates of gold coins retained in concurrent circulation. It may well be that it was to forbid the exacting of a premium on gold, as against paper money, as well as to legalise the currency (i) of Portuguese moidores and "joes" (which were unknown in 1707) and (ii) of Spanish gold coins of the 1786 issue (when the standard was reduced to 21-carats fine) that in 1787 the colony passed an Act "for settling a value on all Foreign Gold Coin current in these Islands." This Act, which recites that "inconveniences have arisen from the want of a certain Value being fixed on the Foreign Gold Coin circulating in these Islands," enacts that "each and every Grain contained in any Piece of Foreign Gold Coin current in these Islands may be estimated at, and pass current in Payment for, 3 *d.* current Money of these Islands." As this Act rated *all* current gold coins alike at 3 *d.* per grain, notwithstanding their varying degrees of fineness, the Spanish doubloon (and its parts), being only 21 carats fine, necessarily held the field as the metallic standard. The equivalent of local currency in sterling (standard gold being 22 carats fine) is found as follows:—

$$\text{As the legal value of 1 grain of standard gold} = \frac{3 \times 22}{21} d.$$

∴ 123·275 grains, or 1 *l.* sterling,* = 1 *l.* 12 *s.* 4 *d.* (about), or, in other words, the "pound currency" in gold was worth nearly 12 *s.* 5 *d.* sterling and 161·55 *l.* currency was equal to 100 *l.* sterling.

In order to supplement the small change of the Islands, a supply of Bermuda pennies was obtained in 1793 from England and made current by the following Act:—"Whereas His Majesty has been graciously pleased by his Order in Council of 1st February 1793 to authorize Matthew Bolton, Esquire, of Birmingham, in England, to strike for the use of the Inhabitants of these Islands a quantity of copper coin, not exceeding the value of £ 200 sterling; and whereas it is deemed essential to the welfare of the community, that such part of the said Coin as is already received be put into immediate circulation, be it enacted, &c., that the Treasurer be authorized to pay in any Copper Coin that is or may be in the Treasury, in consequence of the said Order in Council, to any person having a demand on the Public, 2½% on the amount of such demand at the rate of 12 coppers for 1 *s.* currency, and that the person having such demand be obliged to receive such Copper Coin in payment, at such rate, in the same manner as gold and silver monies are by law or custom made payable in these Islands, until the whole quantity of Copper Coin shall have been emitted from the Treasury, either by payment, exchange, or otherwise.

"And be it further enacted by the Authority aforesaid, that in any other payments, after the passing of this Act, no person

* The sovereign was of course not coined until 1816, but its weight is $\frac{113}{123}$ of the guinea, and represents the gold pound of account of the 18th century.

be obliged to receive more than eleven Coppers in any payment whatever, and that on all occasions a tender of a less number of Coppers than twelve be deemed as payment at the rate aforesaid, in the same manner as gold and silver monies are by law or custom made payable within these Islands."*

These copper coins had an unlucky fate. On the voyage out, "a part was captured and carried to France; and about the sum of $600 was received in the Colony, which appeared to be adequate to the demand for it; but in consequence of the relative value of that coin with the Spanish Dollar becoming greater than in change, it was mostly taken off."

On 29th February 1816 a Committee of the Council and House of Assembly furnished the following particulars to the Board of Trade as to the currency of the colony :—

Current silver coins were the Spanish milled dollar and its parts, together with "Quarter pieces of-eight,† commonly called Pistareens, the eighths of pieces of eight, commonly called Bits, equal to tenths of Dollars, and the sixteenths of pieces of eight, commonly called Groats, equal to twentieths of Dollars.' As is indicated by the last particular, the dollar passed as 6 *s.* 8 *d.* currency. The quantity of circulating specie was "extremely fluctuating."

"As to gold, the general rate of currency is 6 *s.* currency per pennyweight" (*i.e.*, 3 *d.* per grain, or 6 *l.* per oz.), "the par of exchange being 150 *l.* currency for 100 *l.* British sterling." It will be observed that this "par" is incorrect; but it was approximately true in practice since, in the words of the Governor in 1816, "coins of the basest nature circulate at precisely the same value as those of the utmost purity. I am not indeed aware," he adds, "that any very sensible inconvenience has yet been sustained from this circumstance, probably from its not having been elsewhere sufficiently known."

It may consequently be concluded from the above facts, and on analogy with other colonies at the same date, that the Bermudas, prior to 1825, enjoyed a gold standard (the Spanish doubloon); that silver dollars could not be retained in concurrent circulation; and that the pistareen and its parts formed the subsidiary currency of the colony.

When in 1825 the Imperial Government sought to establish British silver as the currency of the colonies (*see* page 23), the endeavour failed, here as elsewhere, owing (i) to the over-valuation of the dollar at 4 *s.* 4 *d.* sterling, and (ii) to the popular over-valuation of the gold doubloon as the equivalent of sixteen dollars. But eventually, in the Bermudas, as in Jamaica and British Honduras, though the Colonial Government required the full 13 *s.* in British silver for every "pound currency," consisting of three dollars, the shilling passed generally, as between individuals,

* This Act passed the Assembly on the 24th, the Council on the 25th, and the Governor on the 26th day of April 1794. This curious limit still survives, it will be seen, in the monetary system of the Bermudas at the present day.

† The "piece of eight" here referred to is not the early Spanish-American dollar, but the (provincial) piece of eight reals of "new plate" (*see* page 392).

as a quarter-dollar (or 1-12th of a pound currency), making 100 *l.* sterling equal to 166 *l.* 13 *s.* 4 *d.* currency. As a doubloon was worth 64 *s.* sterling, and was regarded as equal to 16 dollars, this popular rating correctly adjusted the relative values of the doubloon and the British shilling, whilst it entirely barred the silver dollar from circulation.

After the publication of the Royal Proclamation of 1838 (*see* page 27), whereby the values of the doubloon and dollar were (for the time) correctly adjusted both to one another and to sterling, the colony in 1841 wisely dispensed with its old system of denominational currency by enacting that on and after 1st January 1842 the currency of the United Kingdom* should also be the currency of the islands, and that 166 *l.* 13 *s.* 4*d.* in currency should be the equivalent of 100 *l.* sterling. Provision was made at the same time, on the lines of the ratings of 1838, for the concurrent circulation of doubloons at 64 *s.*, and of dollars at 4 *s.* 2 *d.*, provided every doubloon or dollar weighed 17 dwt. 8 grains.

About 1874 there was a great and increasing import of the gold and silver coins of the United States, particularly silver ;† but the merchants unanimously agreed among themselves to decline receiving this currency except at a heavy discount, and it was soon exported again. In 1876, in view of the depreciation of the gold-price of silver, the Currency Act (1841) Amendment Act 1876 was passed, repealing the provision of 1841 as to the currency of dollars, and restricting the legal tender of copper or bronze coins to 11 *d.* in any one payment.

At various times endeavours have been made to limit the legal tender of British silver to 40 *s.*, but without success. The trading community generally appears to be, or at least to have been, opposed to this salutary change, though they are familiar in practice with the extra ¼ per cent. premium which they have to pay for bills on London if purchased with silver. The last Bill imposing a 40 *s.* limit was introduced into the local legislature in 1882, but was shorn of its limiting provision before becoming law as the Legal Tender Act 1882. This Act is indeed confined to a single operative clause,‡ aimed at preventing the import of light British gold (from the United States and elsewhere), which was rapidly debasing the local currency.

As there is no "least current weight" for British silver coins,

* See also the amending Act of 1861.

† Cf. the Bahamas for a similar phenomenon at this date.

‡ Section II.—"A tender of payment of money, if made in gold or silver coins which have been issued by Her Majesty's Mint, or which, having been issued by any branch mint in Her Majesty's colonial possessions, have under any proclamation of Her Majesty been made current and legal tender in the United Kingdom, and which gold or silver coins have not been called in by any Proclamation, and have not become diminished in weight by wear or otherwise, so as to be of less weight than the current weight at which the same respectively are legal tender or legally current in the United Kingdom, shall be a legal tender; and no other money or coin than such coin as is hereinbefore mentioned shall be legal tender in these islands except copper or bronze coin as far as the same is made legal tender by the Act passed in the year 1876, entitled 'An Act to amend the Law relating to the Currency and Value of certain Foreign Silver Coins and other purposes.'"

the provision as to light coins is of course operative only as regards sovereigns and half-sovereigns. The net effect of the section appears to be to assimilate the currency of British coins in the Bermudas to that prevailing at the time being in the United Kingdom. And it will be observed that by this section the doubloon, the last foreign coin to retain legal currency, was demonetised, leaving British coins the sole legal tender in the colony. It would naturally have been expected that so large a trade with the neighbouring United States would have led, as in the Bahamas, to the adoption in practice, if not at law, of the U.S. gold currency as the insular standard. But, as a matter of fact, the Bermudas have never allowed themselves to be drawn into the U.S. currency area.

It was estimated at the beginning of 1892 that the total amount of coin in circulation (there is no paper) was 90,000 *l.* (30,000 *l.* being in silver), or about 5 *l.* per head of the population (18,000 in round figures, including the troops). But it is difficult, on analogy with other Islands, to believe that the "active" circulation of the Bermudas can amount to more than one-fifth of this sum.

CHAPTER XIII.

The Bahamas.*

(1666.)

Prior to the year 1750 there is little evidence of the state of the currency in these islands; but there are chance references to the subject which, considered in the light of fuller knowledge concerning the currency of neighbouring colonies, make it possible to reconstruct in part the history of currency in the Bahamas during its earliest years.

Under the Proprietaries of Providence, according to Oldmixon's "British Empire in America" (1708), "the most considerable profit made by the inhabitants of Providence was by the misfortune of poor adventurers; either such as were shipwrecked, or such as in a winter-voyage for the continent of America, were driven to the Bahama Islands and put into Providence for provisions. As for wrecks, the people of Providence, Harbour Island, and Eleuthera, dealt in them as it is said the good men of Sussex do: All that came ashore was prize, and if a sailor had, by better luck than the rest, got ashore as well as his wreck, he was not sure of getting off again as well. Wrecks and Pirates were the only hope of Providence, there being no product to trade with except brasiletto wood and salt, which the people exported to the continent and other islands. Carolina being the nearest colony to this, the people of Providence traded most thither." Even the Governor of 1691 "highly caressed those pirates who came to Providence," as to a congenial resort. It is further stated that about the year 1700 Governor Hasket "found an unruly people, and they were the more so, for few wrecks had happened lately, and the pirates began to spend their money elsewhere." And it is in the same year that Mr. Fysack's Memorial (*see* page 12) furnishes the earliest specific information as to the currency system of the Bahamas. The occurrence of the universal coin of the day in these islands had already been instanced by Samuel Smith's confession in the Bermudas that he had "hidden 1,000 peeces of eight in the Bohemia (*sic*) Islands"; and Fysack's Memorial gives specific information as to the local rating of this coin; "a peice of eight in the Bahamy Islands being about five shillings." The rating was stated to be "the same in Carolina," and it is probable that it was trade-relations with the latter colony which had established this common seventeenth-century rating in the Bahamas also.

From 1703 to 1717 the Bahamas were a pirates' stronghold; in the words of an Address of the House of Lords to the King in the latter year, "the usual retreat and general receptacle for the pirates are at Providence." This led to the expulsion of the pirates by Captain Woodes Rogers, which is commemorated by

* For information respecting existing conditions of currency in the Bahamas, I am indebted to Captain Jackson, C.M.G., the Colonial Secretary.

the motto, *expulsis piratis restituta commercia*, both on the Colonial Seal and on the copper coins struck for the colony a century later. Whatever currency legislation may have been effected prior to 1734 is now lost, for reasons best explained in the Governor's words of 10th February of that year: "After the death of Mr. Rogers, all the Acts of Assembly of these islands were secreted or conveyed away by some person to prevent their being put in execution, except an Act for levying divers sums of money, &c., which was in the dead of night left at my door wrapt in a sheet of clean paper without any direction."

It is, however, certain that these troubled years witnessed that change from a silver to a gold standard of value, which was characteristic of the currency history of all the West Indian Colonies in the early part of the eighteenth century. And, further, that *light* gold coins circulated, and that it was found necessary in 1744 to fix by law minimum weights and current ratings for the foreign gold coins which formed the local circulatory medium, may be gathered from the preamble of the Act of 1750 "for settling and ascertaining the current rates of foreign gold in this Government," which runs as follows: "Whereas an Act, intituled an Act for settling and ascertaining the current rates of foreign gold in this Government," passed at an Assembly begun and held at Nassau the 21st day of February 1744,* is liable to objections for want of a proviso that the same shall not restrain his Majesty from regulating and settling those coins in any other manner, and of a clause for suspending the execution thereof until his Majesty's pleasure shall have been known: Be it therefore enacted, &c., that the before-mentioned Act be, and is hereby, repealed. And, forasmuch as it is necessary that the value of foreign gold should be ascertained, to prevent the disputes and inconveniences which may arise by reason of the same being clipped and otherwise diminished," &c., ratings were prescribed by the Act (which presumably merely re-enacted, with a suspending clause, &c., the irregular Act of 1744) as follows:—

Description.	Weight.		Current Money.		
	dwts.	grs.	£.	*s.*	*d.*
Portugal Pieces, commonly called Johannas (halves, &c., proportionably) -	18	–	6	1	6
Spanish 4-Pistole Pieces (*i.e.*, "Doubloons") - - - - -	16	–	5	8	–
Spanish 2-Pistole Pieces - - -	8	–	2	14	–
Spanish and French Pistoles - -	4	–	1	7	–
Half-Pistoles and Chequins† - -	2	–	–	13	6
Moydores of Portugal - - - (Halves and quarters proportionably.)	6	16	2	5	–

* Neither in the Record Office nor in the Island Archives can a copy of this Act now be found.

† *See* page 397 for the currency of this "Arabian gold" in the Bermudas, Leeward Islands, &c., at the same date.

"and for every grain which the several species of coins before-mentioned shall weigh more or less than is afore-expressed, there shall be allowed 4⅛ *d.*"

As all these gold coins are rated alike, irrespective of fineness, at one uniform rating of 3·37 *d.* per grain of their specified weight, it is clear that the above legal allowance of 4⅛ *d.* per grain of difference from the prescribed weights, encouraged the circulation of full-weight coins. And, as the Spanish gold coins were at least one per cent. inferior in fineness (even before 1772) to the gold coins of France and Portugal, it is equally clear that a further premium was placed by the Act on heavy Spanish gold. The further lowering of the Spanish standard to 901 per mille in 1772, and to 875 in 1786, tended to establish even more firmly the supremacy of Spanish gold coins of full weight in the Bahamas.

This supremacy of Spanish gold, and the lowering of the Spanish standard of fineness for gold in 1786, explain why in 1788 the Colony found it necessary to pass the Act 28 Geo. III., cap. I., "for regulating and ascertaining the value of the current coin in the Bahama Islands," which recites that the Acts of 1744 and 1750 "are from the alteration of the circumstances of these islands become almost useless." The new Act provided that "all mill'd gold not clipp'd, plugged, or otherwise defaced," should thenceforth pass at the following rates:—

Description.	Weight.	Currency.
	dwts. grs.	£. *s.* *d.*
English Guinea - - - -	5 ·4	1 18 –
French Double Guinea - - -	10 4	3 12 –
„ Single „ - - -	5 2	1 16 –
Whole Johannes - - - -	18 –	6 8 –
Half „ - - - -	9 –	3 4 –
Moydore - - - - - -	6 16	2 8 –
Spanish Milled Doubloon - - -	17 8	6 4 –

Fractions of the above coins were to be rated proportionately; and "for every grain short a deduction of 3⅛ *d.* shall be made"; clipped, plugged, and other defaced gold to pass likewise at 3½ *d.* a grain.

The Act then proceeded to rate silver coins as follows:—

	s.	*d.*
Spanish Milled Dollar - - - - -	8	–
(½, ¼, ⅛, ¹ th, in proportion).		
English Shilling - - - - - -	1	9
(Sixpence proportionately).		
Pistareen - - - - - - -	1	6
(½ and ¼th in proportion).		

These ratings of silver coins are the first, it will be observed, which are recorded for the Bahamas since 1700. Conjecturally, on analogy with the ascertained facts of currency during the same period in other West Indian Colonies (*e.g.*, Jamaica), it may be premised that (i.) by the change from a silver to a gold standard, and (ii.) by the introduction of the "base Pistareen" and the Real of "new plate" (10 of which went to the dollar, as against eight Mexican Reals), the 5 *s.* rating of the silver dollar was raised first to 6 *s.* 3 *d.* (= 5 *s.* × $\frac{10}{8}$), and thence by successive stages to 6 *s.* 9 *d.* (the 1750 rating of the "gold dollar," or sixteenth of a doubloon), but more probably to 6 *s.* 8 *d.*, the convenient Jamaica rating, admitting of division both by 8 and by 10 for the Mexican and "new plate" Reals, respectively. The 1788 rating of the silver dollar at 8 *s.*, or threepence more than the "gold dollar," indicates an endeavour to retain Spanish silver in circulation; and it will be observed that the Pistareen was (wisely) valued in 1788 at less than its Spanish proportion of a fifth of a dollar.

Like the earlier Acts, the Act of 1788 erred in rating all gold coins alike by *gross* weight, irrespective of relative fineness, and may therefore be taken to have left Spanish gold with the supremacy over other gold coins. And as the ratings in the Act proceeded on the basis of somewhat over 3¼ *d.* per grain, it follows that heavy coins continued to have the preference for payments. And, taking the sterling values of the dollar and the doubloon at 4 *s.* 2 *d.* and 64 *s.* respectively, it will be seen that, in order to correctly adjust the ratings of the two coins, the doubloon ought to have been rated, not at 124 *s.*, but at 122 *s.* 10½ *d.* (on the basis of 8 *s.* for the dollar). In other words the gold doubloon was over-rated 1·68 per cent., as against the silver dollar. Having thus regulated the currency of gold and silver coins, the local legislature of the Bahamas proceeded in the following year to pass the Act 29 Geo. III. cap. 2, to obviate "the inconveniences from the want of a well-regulated copper currency," and to demonetise all silver coins other than those specified in the Act of 1788. As appears from the preamble of the Act 42 Geo. III. cap. 9, nothing was done from 1789 to 1802 in the matter of the copper tokens (pence) proposed for the Colony. But in the latter year the Act last mentioned provided that 12 of these should contain in pure copper only 4 *d.* sterling, instead of 6½ *d.* as proposed in 1789, and that the limit of legal tender for the new tokens should be 2 *s.* instead of 20 *s.* currency. A supply of these pence to the nominal value of 500 *l.* currency was ordered in 1806, and was struck in the same and the following years at Boulton's Mint at Birmingham. These Bahamas pence (which borrowed their legend from the Colonial Seal) were "intended to supply the negroes with small money, but they refused to take them, and the project came to nothing."

In 1816 the Colonial Agent stated that the current silver coins were dollars and their fractional parts ($\frac{1}{2}$, $\frac{1}{4}$, $\frac{1}{8}$, and $\frac{1}{16}$th); the quantity in circulation for common use was but small, but the quantity of dollars to be found in the islands was very great, as

there were frequent importations of silver into the colony and great exportations thence to Great Britain. The result, said the Agent, was that the current silver was of full weight.

In 1825 the Imperial Government endeavoured to introduce British silver and copper coins into general circulation throughout the colonies (*see* p. 23). In proclaiming locally the provisions of the Order in Council of 23rd March 1825 the Governor on 23rd August of that year declared 10 *s.* 10 *d.* in sterling coins to be equivalent to 1 *l.* currency. Or, in other words, the pound sterling was to be equivalent to 1 *l.* 16 *s.* $11\frac{1}{13}$ *d.* But, as the silver dollar was rated in the Order in Council at 4 *s.* 4 *d.*, instead of 4 *s.* 2 *d.*, for concurrent circulation with sterling, and as the doubloon was further over-rated in this colony nearly two per cent. relatively to the dollar, the British coins were driven out as fast as they were introduced by the Commissariat.

Though the dollar could hold its own against the shilling, its currency was menaced soon after 1825 by the competition of the new Spanish pistareen, or peseta of the Peninsula. In 1828 it was found necessary to pass the Act 9 Geo. IV. cap. 18, reciting that since 1788 this novel coin, purporting to be an "unpillared quarter" was being profitably imported in great quantities and was driving out all other coins, both gold and silver. The Act goes on to enact that the Spanish peseta, the Spanish real (or half-peseta, known in this colony hitherto as a "shilling") and the half-real (or "sixpence"), should pass current at the rate of only five pesetas, or 10 reals to the dollar, and that these coins should not be legal tender for more than 1 *l.* currency in any one payment.

When, on 7th September 1838, the Imperial Government passed the remedial measures (*see* page 27) whereby the dollar was correctly rated at 4 *s.* 2 *d.*, and the doubloon at 64 *s.*, for concurrent circulation with sterling, the Bahamas legislature, recognising that the day of Spanish currency was over, hastened to enact in November of the same year, that sterling should thenceforth be the local money of account, and that old debts should be paid at the rate of 4 *s.* 2 *d.* sterling for every 8 *s.* ($1) of the old currency. The Bahamas have the credit of being the first among the Colonies to take this sensible step.

A few years later the peseta again gave trouble, as "in consequence of the recent reduction in the current value of the said peseta in the neighbouring Island of Cuba, and the lesser rate at which the said peseta obtains currency in the United States of America, the said coin is again being introduced in considerable quantities into these islands." The Act 8 Vict. c. 49, accordingly reduced the rating of the peseta from 10 *d.* to 9 *d.* sterling, and provided that after one year the coin should cease to be a legal tender in the Colony.

"In private transactions," reported Governor Gregory in 1850, "the community seem determined to adhere to the old currency. Prices are all stated either in dollars and cents, or in Bahama currency, 1 *l.* sterling being equivalent to 2 *l.* old currency." The latter words are of interest as showing that, at some date

between 1838 and 1850, there had grown up a popular and conventional rating of $1, or 8 *s.* currency, at 4 *s.* sterling, instead of 4 *s.* 2 *d.* This overrating of British coins explains why Governor Gregory reports that "a considerable proportion of the coin in circulation consists of sovereigns, half-crowns, shilling, and sixpenny pieces," merely adding that "American and Spanish dollars are also a legal tender."

In connection with the salt industry a currency had for some time been given conventionally to the French five-franc piece. And, as it appeared that, frequently, the inhabitants of the salt-producing islands could only dispose of their salt by taking French coins in payment, the Act, 13 Vict. c. 23, was passed in 1850, providing that the five-franc piece should "pass currently and be lawfully paid and received within and throughout these islands at and after the rate and value of 3 *s.* 10½ *d.* of the lawful money of these islands, and in the like proportion for the other French silver or gold coins of the same denomination." It will be observed that this enactment gives unlimited tender not only to the standard coins of France, but also to the token franc and two-franc piece.

The 4 *s.* rating of the silver dollar stimulated the export of these coins when their gold-price was enhanced by the gold discoveries of 1849 and the following years. "In consequence of the exportation of dollars and other silver coins," wrote the Commissary on 15th June 1853, "the gold coins of the United States of America have become the circulating medium throughout these Islands, and pass at the rate of 4 *s.* 2 *d.* sterling per dollar, but by convention only; and, as they are now the only coins of value that appear, and as they must in my opinion ere long form the basis of the currency of the Colony, the sooner an established sterling value is fixed on them, the better it will be for trade and for the community in general." The Commissary added that the 4 *s.* 2 *d.* rate obtained "at the Bank and for all mercantile transactions; but persons receiving small sums . . . . are compelled to part with their gold for household purposes, or in exchange for silver coins, at the rate of 4 *s.* per dollar, being a loss to them of 4 per cent." Accordingly, legal currency was given to coins of the United States, the eagle being rated at 2 *l.* 1 *s.*, and the gold dollar at 4 *s.* 1 *d.*, by the Order in Council and Proclamation of 19th August 1853 (*see* page 435), which was brought into operation locally by the Governor's Proclamation of 15th October of the same year. Not till 11 years later were silver coins of the United States admitted to tender. Following the conventional rating of a "dollar" as 4 *s.* sterling, the Order in Council and Proclamation of 1st March 1864 (brought into operation in the Bahamas by the Governor's Proclamation of 6th April of the same year) gave ratings of 2 *s.* and 1 *s.* respectively to the token half and quarter dollar of the United States. But though these fractional parts of the silver U.S. dollar were thus admitted to tender, no action was taken then, or has been taken since, to give legal currency to the whole silver dollar.

In 1873 it became profitable to ship away all the U.S. gold coins, and practically all the British token silver; whilst half and quarter U.S. dollars, purchasable in New York for 3 *s.* 9 *d.*, were poured into the Bahamas at 4 *s.* per dollar. Consequently, by 1876, the circulating medium of the Colony consisted practically of the above token fractions of the U.S. silver dollar, with British fourpenny and threepenny bits and a miscellaneous collection of copper coins for small change. At this date there were only a few Mexican dollars in the Colony, popularly rated at 4 *s.*

With the passing of the Bland Act in 1878, and the consequent restoration of the silver dollar as a standard coin in the United States, the merchants and shopkeepers of the Bahamas hastened to ship off the U.S. silver coins in settlement of their liabilities on the mainland. And the Mexican dollar, worth at the time only 3 *s.* 9 *d.* sterling, flowed in, to pass current at 4 *s.* (legally 4 *s.* 2 *d.*). By the beginning of 1881 the circulatory medium was reduced to these Mexican coins. The first idea of the Colony, in 1879, was to legalise the currency of this dollar at 4 *s.*; next it was proposed to rate it at 3 *s.* 9 *d.*; and there was also a proposal to have a special coinage of florins, shillings, &c., stamped "Bahamas" for local circulation exclusively. But, instead, the wiser course was taken in 1881 of demonetising "the Spanish, Mexican, and Columbian silver coins, called "dollars" after six months' notice (44 Vict. c. 7), the coins to be exchangeable during the same period at 4 *s.* each at the Public Bank. And at the same time the local legislature imposed an import duty of 50 *s.* on every 100 of the above dollars introduced into the islands. No less than $90,306 were paid into the bank for exchange, their place being filled by the importation of 18,000 *l.* in British silver. And it may here be noted that on 9th March 1881 the Governor submitted to the Council the question whether silver, as a legal tender, should be limited to 40 *s.*, and whether the Council thought that such a measure would be desirable or would meet with favour in the Assembly. The Council were "unanimously of opinion that it would not."

With 1881 ends the currency history of the Bahamas, so far as it relates to metallic currency and the regulation of such metallic currency by law. The coins legally current are British and French gold and silver, U.S. gold coins, and U.S. silver half and quarter dollars. If the currency of the colony were governed in practice by the several enactments above mentioned, no United States coins would remain in circulation; and the Bahamas, like the West Indian colonies generally, would be reduced to a circulatory medium, consisting mainly, if not exclusively, of British tokens. The law, however, has been superseded by popular convention. Instead of the legal rating of the U.S. gold dollar at 4 *s.* 1 *d.*, the convenient (1838) rating of the silver Spanish dollar at 4 *s* 2 *d.* has tacitly been adopted for the gold dollar, and consequently the eagle has been rated at ten times 4 *s.* 2 *d.*, or 2 *l.* 1 *s.* 8 *d.* And as these U.S. coins are intrinsically worth only 4 *s.* 1.316 *d.*, and 2 *l.* 1 *s.* 1.16 *d.*

sterling respectively, the popular over-valuation* has turned the scale in their favour, and U.S. gold is the local standard of value. The reason is not far to seek; for, the commercial relations of the colony are mainly with the neighbouring United States, New York alone practically monopolising the trade with the islands. And the majority of the visitors who flock to the Bahamas as a sanatorium also come from the United States. The colony, therefore, necessarily forms part of the U.S. "currency area," and this relation has been at once recognised and strengthened by the conventional over-valuation of U.S. gold coins. As this over-valuation has not been extended to the silver coins of the United States, which, with their fractions, pass at the old legal rate of 4 *s.* per dollar, these latter, when introduced by visitors, &c., are collected for profitable export to the United States. British silver coins form the bulk of the subsidiary currency, but of late years inconvenience has been felt from the dearth of change.

The metallic currency of the Bahamas has recently been supplemented by paper. In 1888, under the Act 52 Vict. c. 1 (*see* also the amending Act 53 Vict. c. 1), the Bank of Nassau was incorporated with power to issue notes (of 5 *s.* and upwards) to be secured before issue by the deposit in the hands of the Colonial Government of either (i) "interest-bearing securities of the United Kingdom, or the United States of America, or of any British possession, to be approved by the Governor in Council; or (ii) gold or silver coins lawful money of the Bahama Islands for the amount of the notes intended to be issued." It will be observed that the issue may be wholly fiduciary; and consequently, though secured, might conceivably not be immediately convertible. But, in respect of legal safeguards, the Bahama Issue is sounder than any other issue in the West Indies.† The amount of the bank's paper in circulation on 31st December 1891 was 5,000 *l.*, and the total amount of coin in circulation at the same date was estimated at about 15,000 *l.*, of which (roughly) 8,000 *l.* was in U.S. gold, and the balance in British tokens. Taking the population at 50,000, the above figures give an average of 8 *s.* in notes and coin per head of the population. One result of the bank's note issue has naturally been to drive out gold. So scarce had gold become by the beginning of 1892, as practically to have disappeared from general circulation. Another result has been to partially remove by its 5 *s.* notes the previous inconvenience of dearth of change.

In conclusion, it may be well to point out that, superior as the Bahamas system of currency is to that of the West Indies

* A "dollar" is invariably calculated at 4 *s.* 2 *d.* sterling in all large mercantile transactions and at auctions, but in the shops a "dollar" is uniformly reckoned as 4 *s.* only, unless otherwise stated.

† Compare the modern note issue of the Cape Banks. The Bahamas note, it will be observed, rests on a broader and sounder basis of ultimate security, since the investments are not in local stocks, which would necessarily shrink in value precisely at the time when a local crisis would lead to the presentation of notes for payment.

generally, and workable as it may be in practice, it has the grave drawback of resting not upon law, but upon convention; and further it is (happily) unique at the present day in reproducing those anomalies of "currency" which were the bane of colonial monetary systems prior to 1838. The scientific remedy would be the adoption in the Bahamas, as in Canada, of the gold U.S. dollar for the legal, as it is already the practical, measure and standard of value.

• The remark of Governor Gregory in 1850 (*see* page 165) that "the community seem determined to adhere to the old currency," applies very widely to-day among the market-folk, pedlars, and the negroes generally, who invariably use the words "shilling" and "sixpence" to denote 6 *d.* and 3 *d.* sterling respectively. The only other terms used by these classes in calculations are "a check" (1½ *d.*), "a big copper" (1 *d.*), and "a small copper" or "cent" (½ *d.*). Constant mistakes are made by strangers who understand "shilling" and "sixpence" to denote the sterling coins of those names, and thus frequently pay double the value asked. (Compare the use of the "currency" term *fipence* in Jamaica to denote 3 *d.* sterling.)

CHAPTER XIV.

NEWFOUNDLAND.

(1583.)

UNTIL quite recently, there appears to have been no legal enactment for the regulation of the currency of this Colony. This is the more intelligible in that much of the trade has been effected by barter throughout the history of the Island from 1583 to the present day.* So far as can be gathered now, the early metallic standard of Newfoundland, as of other British Colonies on the mainland of America, was the Spanish dollar, rated at 5 *s.* currency, and forming almost the entire metallic currency. As since 1825 (*see* page 23) that coin was rated by the Imperial Government at 4 *s.* 4 *d.* sterling, the currency pound was reckoned at 17 *s.* 4 *d.* sterling, *i.e.*, the £. sterling was nominally held equivalent to 1 *l.* 3 *s.* 1 *d.* (nearly) in local currency. Doubloons seem to have passed at 76 *s.* currency, or about 9½ *d.* under their proportional currency value (if of full weight), and this under-rating of the gold coin tended to maintain the silver dollar as the local standard of value. The nominal par of exchange for sterling was 115 *l.* 7 *s.* 8 *d.*; but the over-rating of the Spanish dollar at 4 *s.* 4 *d.* sterling, whereas its intrinsic value was slightly under 4 *s.* 2 *d.*, usually resulted in an extra premium of about five per cent. on the sale of bills on England, making the real par roughly 120 *l.* currency. The British shilling passed variously at 1 *s.* 2 *d.* and at 1 *s.* 3 *d.* in the Island, to tally with the exchanges, the latter rate placing a further specific premium of about five per cent. on the shilling, as such, as measured by the 5 *s.* rating of the Spanish dollar. Thus originated the modes of reckoning known as "Newfoundland (or Local) sterling," as opposed to "British sterling." Hence it was possible to express a given number of dollars in no less than four different ways, *i.e.*, in dollars, in £. *s.* *d.* currency, in Newfoundland sterling, and in British sterling.

Before issue of the Order in Council and Proclamation of 1838 (*see* page 27), which repealed for America the mistaken legislation of 1825, the Island Legislature passed an Act on 25th October 1838 to remove "doubts with respect to the value of dollars as a legal tender" in the Colony. They declared Spanish and other American dollars (omitting the coin of the United States) at 4 *s.* 4 *d.*, "to be as

* "The inhabitants have not much land, and no money. They truck with one another for what they want and have."—Oldmixon's *British Empire in America*, vol. I., page 18 (2nd edition, London, 1741).

good and valid as a tender or payment of monies of the Coin of the Realm now is or would be." This Act was not confirmed, owing to the issue of the 1838 Order and Proclamation.

On 22nd April 1845, the Assembly of the Island passed an Act in which, whilst the 5 *s.* currency rating of the dollar was retained, the doubloon and sterling coins were correctly, if inconveniently, rated for concurrent circulation, as follows :—

	£.	*s.*	*d.*	
Doubloon - - - -	3	16	9⅗	currency.
Sovereign - - - -	1	4	–	„
Crown - - - - -	–	6	–	„
Dollar - - - - -	–	5	–	„
Shilling - - - - -	–	1	2⅖	„

But, as the same Act further provided that 115 *l.* 7 *s.* 8 4-13 *d.* currency should discharge existing contracts of 100 *l.* sterling, the Royal Assent thereto was refused. For, under the new ratings of the Act, the "currency pound," which had formerly been equivalent to 17 *s.* 4 *d.* sterling, had now been reduced to 16 *s.* 8 *d.* sterling; or, in other words, 96 *l.* 3 *s.* 0 12-13 *d.* in sterling coins would now have paid off a debt of 100 *l.* British sterling. But this somewhat startling inconsistency would have been superficial only, and not real, seeing that, under the 1825 rating at 4 *s.* 4 *d.* sterling, the dollar, the real Island standard of value, was over-valued some four per cent. with respect to sterling.

Though the Colonial Act was disallowed, its provisions for the concurrent rating of Spanish and British coins prevailed, the Spanish dollar still remaining the nominal standard as one quarter of the "pound currency," and the sovereign being regarded as equalling 24 *s.* currency. This rating of the sovereign was confirmed by Law of May 1856, after a somewhat curious dispute between the merchants and the sole Bank then established in the Colony. The Bank declined to recognise the sovereign, because it was to its interest to pay its notes in silver tokens; and as a result of the consequent increase of cost of remittance, the trading community petitioned the Assembly, and the Act of 1856 was passed.

Meanwhile considerable inconvenience had been felt for some time as a result of a lack of small change; and, in 1851, two Acts were passed, one of which was framed to remedy this inconvenience, whilst the other (which will be noticed first) was of wider scope.

The latter (14 Vict. c. 5) was an "Act to authorise the issue of Treasury notes and for the reduction of the public debt." It provided, in connection with paying off the colonial debt, for the issue from time to time of promissory notes payable in specie on demand. These notes were not to run for more than ten years; and the Colonial Treasury was to keep against them an amount in specie equal to one-third of the circulation. The first issue was to be limited to 20,000 *l.*, and no note lower than 20 *s.* was

permitted. After some hesitation, traceable to the suspicions aroused by the inconvertible paper currency of Prince Edward Island, this Act was confirmed by Order in Council. But, as it was found that the Government notes could not compete with those of the banks, an amending Act was passed in 1855, which authorised the issue of Government notes of the denomination, not only of 1 *l.*, but also of 10 *s.* and 5 *s.*, and restricted the banks from issuing notes of a lower value than 20 *s.* This amending Act became law in 1857.

The other measure of 1851, intended to remedy the want of small coins, was passed, because, "the neighbouring Colonies having a legalised copper currency, and there being none in this Colony, many traders and private parties have been in the practice of importing and circulating base copper coin of the most worthless description, the refuse of other parts of the world, until the condition of this part of our currency has become a crying grievance." The Act, therefore, prohibited the importation of such coin, but left the existing amount in circulation. It also placed at the disposal of the Government a sum of 500 *l.* for the purchase of reliable penny and halfpenny pieces. The majority of the objectionable tokens which remained in circulation were those of Prince Edward Island and French coins.

By 1860 the Spanish dollar had ceased to circulate; the currency consisted of British and American gold (the eagle passing at 49 *s.* 3 *d.*), with British* half-crowns (and shillings), United States half and quarter dollars and dimes, and a few Spanish quarter dollars. Tokens formed the greater part of the copper currency. The old 5 *s.* rating of the dollar was retained as the basis of the main Colonial Act, viz., that passed on 25th March 1863 (26 Vict. cap. 18), and embodied in chapter 92 (Title 25) of the Consolidated Statutes of 1872. The main provisions of the Act were as follows:—

(i.) The denominations of money were fixed as dollars and cents, with 100 cents to the dollar.

(ii.) American, Peruvian, Mexican, and old Spanish dollars of full weight and fineness, and their sub-divisions, were made legal tender at the rate of $1 up to the limit of $10. The sovereign, doubloon, and eagle were to be unlimited legal tender, at $4.80, $15.35, and at $9.85 respectively. British silver coins were made legal tender, within a limit of $10, at the proportionate values which they nominally bear to the sovereign in the United Kingdom. And it was provided that gold, silver, and bronze coins might be struck, representing dollars and cents.

(iii.) The copper coins then in circulation were called in at half their face value; and in this way the old copper grievance came to an end.

* An old resident states that at this time two shillings and six pence in sterling coins could be made to represent three different amounts in currency. A half-crown was equal to 3 *s.* currency; two shillings and a sixpence were only 2 *s.* 11 *d.*; and 30 pence were but 2 *s.* 6 *d.*

In 1863 Newfoundland, like Canada, had adopted gold as the sole standard of value, with dollar and cents as the denominations of money. But, unlike Canada, Newfoundland did not finally adopt the U.S. gold coins. Instead, this colony has stereotyped the ancient 5 *s.* rating of the Spanish silver dollar by making it (as the quarter of the pound currency) the unit of the new insular monetary system. The new two-dollar piece is thus the lineal representative in gold of two Spanish silver dollars.

Under Order in Council and Proclamation of 9th August 1870 (in accordance with the Colonial Act of 1863), a special coinage has been struck at the Royal Mint for Newfoundland, consisting of a two-dollar piece in gold, with a subsidiary token coinage of 50-cent, 20-cent, 10-cent, and 5-cent pieces in silver, and bronze cents. The bronze and silver coins are not legal tender beyond 25 cents and $10 respectively. The total nominal value of the special coins so struck is as hereunder :—

Description.	Weight of Coin.	Fineness.	Nominal Value of Coins struck from 1865 to 1891, inclusive.
Gold :	*Grains.*	*Per mille.*	$
$2 piece - - -	51.364	916·6	197,100
Silver :			
50 cents - - -	181.81̇	925	236,000
20 cents - - -	72.72̇	925	147,000
10 cents -	36.36̇	925	34,800
5 cents - - -	18.18̇	925	28,800
Bronze : Cents - - -	87.50	per cent. 95 copper, 4 tin, 1 zinc	15,300
	Total Nominal Value - - $		659,000

In 1887 (50 Vict. cap. 4) a consolidating and amending Act was passed repealing the earlier Act, and dispensing with references to the old "pound currency." Silver dollars and doubloons were no longer admitted to tender. (This Act contains in Section 9 a misprint of "sixteen" instead of "eighteen" in valuing British gold coins by weight.)

By convention (though not by law) Peruvian, Mexican, Columbian, and old Spanish dollars were practically demonetised, even before 1887, passing at 80 cents each.* The silver dollar of

* They now pass as 60 cents, but are so rarely seen that they may be disregarded. The same remark applies to the U.S. silver dollar, now passing as 80 cents.

the United States similarly passed at 93 cents, and its subdivisions at the like rate.

As the population is estimated at about 200,000, the above total of $659,000, if it may be considered as remaining entire in the colony, would give $3⅓ per head of colonial coin, of which roughly $1 is in gold and $2⅓ in subsidiary coin. In addition, British sovereigns and gold coins of the United States (with a few old doubloons) circulate in the colony to a limited extent.

There are two banks of issue in the colony, their circulation being as follows on 31st December 1891 :—

Union Bank - - -	$619,771
Commercial Bank - -	572,884
Total - -	$1,192,655

This total is equivalent to about $6 in notes per head of the population, or nearly double the metallic currency in circulation. The total currency (notes and coin) is equivalent to $9⅓ per head, a curiously exact parallel to the estimate arrived at for for Canada and Australasia.

CHAPTER XV.

Canada.*

(1763).

Old Canada, as ceded to Great Britain in 1763 by the Treaty of Paris, was divided in 1791 (by the Imperial Act 31 Geo. III. cap. 31) into the two provinces of Upper Canada (now Ontario) and Lower Canada (now Quebec). These two provinces, reunited in 1840 by the Imperial Act 3 & 4 Vict. cap. 35, were amalgamated in 1867 with New Brunswick and Nova Scotia (thereby forming the "Dominion of Canada") by the Imperial Act 30 Vict. cap. 3; Rupert's Land (Manitoba) was added to the new Dominion in 1870, British Columbia in 1871, Prince Edward Island in 1873, and certain other territories in 1876 and 1880.

Broadly speaking, the currency-history of Canada consists in the transition from the French écu to the silver Spanish dollar, and from the Spanish dollar to the gold dollar of the United States. But this transition has reference exclusively to the standard coin; the characteristic feature of Canadian currency, both in the 17th century and at the present day, is paper.

As the detailed history of currency varies considerably in the several constituent colonies, it is necessary to trace the monetary system of each separately, prior to their being merged in the Dominion.

I. Old Canada (Quebec and Ontario).†

The currency under French rule was nominally that of France. Just as sterling was in theory the original currency of the British Colonies of New England, so in theory the French monetary system prevailed in French Canada. In practice, however, alike in Canada and in the New England Colonies, dearth of coin led to the prevalence of barter in early years. The commodities used as currency were mainly furs and grain in both cases. "In the absence of coin," states Mr. Francis Parkman in his *Old Régime in Canada* (London, 1884), "beaver-skins long served as a currency. In 1669 the Council declared wheat a legal tender at four francs the *minot*, or three French bushels;‡ and, five years later, all creditors were ordered to receive moose-

* For valuable information I am indebted to the kind agency of Mr. J. Mortimer Courtney, Deputy Minister of Finance of the Dominion.

† See on this subject the exhaustive articles of Mr. James Stevenson in the *Transactions of the Literary and Historical Society of Quebec* for 1875 ("The Card Money of Canada"); for 1876 ("The Currency of Canada after the Capitulation."); and for 1892 ("The War of 1812 in connection with the Army Bill Act"). *See* also Zay's valuable *Histoire Monétaire des Colonies Françaises* (*Paris*, 1892).

‡ *Edits et Ord*, II. 47.

skins in payment at the market rate.* Coin would not remain in the colony. If the company or the king sent any thither, it went back in the returning ships. The Government devised a remedy. A coinage was ordered for Canada one-fourth less in value than that of France. Thus the Canadian livre or franc was worth in reality fifteen sous instead of twenty. This shallow expedient produced only a nominal rise of prices, and coin fled the colony as before. Trade was carried on for a time by means of negotiable notes, payable in furs, goods, or farm produce."

The special coinage above referred to is the subject of similar observations in the *History of Jamaica* (London, 1774):—"The advance of one-fourth upon the real value of the silver coined in France, purposely for the circulation of Canada, did not keep the money from going out of that colony. . . . All her money was drained back to France." As regards the coinage in question, Le Blanc gives the following details in his *Traité Historique des Monnoyes de France*:—"Afin de faciliter le commerce dans le Canada, le Roy (sc. Louis XIV) fit fabriquer pour cent mille livres de Loüis de 15 sols, de 5 sols, et des doubles de cuivre pur. Ces monnoyes étoient de mesme cours, poids, et loy que celles de France. Sur les Loüis d'argent de 15 sols et de 5 sols, au lieu du *Sit nomen Domini benedictum* il y avoit *Gloriam regni tui dicent*, et sur les doubles *Doubles de l'Amérique Françoise*." It will be observed that Le Blanc is in error in stating that the Canadian coins were "de mesme cours que celles de France"; for, (*e.g.*) the fifteen-sous piece passed for 20 sous Canadian currency, *i.e.*, 100 French livres were worth 133⅓ Canadian livres.†

With 1685 the printing-press began to dominate the currency of Canada. In this year, according to Mr. Parkman, "the Intendant Meules issued a card currency. He had no money to pay the soldiers, and 'not knowing (he informs the Minister)‡ to what saint to make my vows, the idea occurred to me of putting in circulation notes made of cards,§ each cut into four pieces; and I have issued an ordinance commanding the inhabitants to receive them in payment.' . . . The example of Meules found ready imitation. Governors and Intendants made card money whenever they saw fit; and being worthless everywhere but in Canada, it showed no disposition to escape the colony.‖ It was declared convertible not into coin, but into bills of exchange; and this conversion could only take place at brief specified periods. . . In 1714 the amount of card rubbish had risen to two million

* *Edits et Ord*, II. 55.

† *See* Zay, pp. 41-47, *et seq.* The coins, which were for the Islands as well as the mainland, were struck in 1670. Zay gives the text of the several edicts relating to paper as well as coin.

‡ *Meules au Ministre*, 24 September 1685.

§ The *monnoie des cartes* was stamped with a fleur de lis and a crown, and was signed by the Governor, the Intendant, and the Comptroller. Its denominations ranged, apparently, from 32 livres to 20 sols.

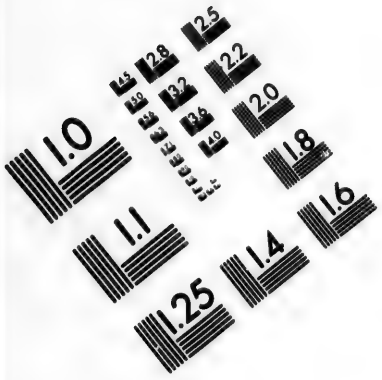
‖ "Schuyler and Dillon, who made an expedition into Canada in 1698, report with apparent surprise that there the currency consisted of paper only." *Old Colonial Currencies*, by S. E. Dawson, in the *Canadian Monthly* for April 1872 (reprinted in the *Canadian Antiquarian* for July 1872, and again in the *New York Bankers' Magazine* for February 1874).

livres. Confidence was lost, and trade was half dead. The minister Ponchartrain came to the rescue, and promised to redeem it at half its nominal value. The holders preferred to lose half rather than the whole, and accepted the terms. A few of the cards were redeemed at the rate named; then the Government broke faith, and payment ceased. 'This afflicting news,' says a writer of the time, 'was brought out by the vessel which sailed from France last July.'"

In 1717, the old cards having been converted into bills of exchange, a "Déclaration du Roi au sujet de la Monnoie des Cartes" was issued on 5th July 1717, which included the following provision for the substitution of French for colonial currency in Canada:—"Comme la monnoie du pays qui a été introduite dans le Canada, n'est d'aucune utilité à la Colonie, et que les deux sortes de monnoies dans lesquelles on peut stipuler causent de l'embarras dans le commerce, nous avons abrogé et nous abrogeons dans le Canada la monnoie dite du pays, et en conséquence voulons et nous plaît que tautes stipulations de contrat, redevances, baux à ferme et autres affaires généralement quelconques, se fassent à commencement de l'enrégistrement des présentes au Conseil Supérieur de Québec, sur le pied de la monnoie de France; de laquelle monnoie il sera fait mention dans les actes ou billets après la somme à laquelle le débiteur se sera obligé, et que les espèces de France ayent dans la Colonie de Canada la même valeur que dans notre Royaume."

Consequently, from 11th October 1717 (the date of registration of the Déclaration at Quebec) the currency of Canada was identical with the currency of France, and only French coins were legally current in the Colony. For the next twelve years a certain quantity of coin was current, the value of which was adjusted by a series of edicts from 1719 to 1726. The old card money was to be presented by 1718 for redemption at one-half its nominal value, the redemption money to be paid in instalments extending to 1st March 1720. Paper had however only disappeared for a time; it was speedily re-issued; and the last state of Canadian currency under French rule was worse than the first. Passing over a temporary issue in 1717 (which professed to be the last, and was punctually redeemed) re-issues were resumed in 1729,* and continued until the close of French rule. The *Ordonnance du Roi* of 2nd March 1729, states that "les espèces d'or et d'argent que Sa Majesté y a fait passer depuis dix années pour les dépenses du pays ton, repassé successivement chaque année en France, ce qui en cause l'anéantissement du commerce intérieur de la Colonie." The effect is here stated as the cause; it was the commercial poverty of Canada which drove out the coin imported for administration expenses by the Government. Referring to a somewhat later period Mr. James Stevenson states that "the average annual imports of 1749–1755 amounted to the equivalent of 210,000 *l.* sterling, and the average annual exports of those years to 60,000 *l.* sterling." And a

* The denominations ranged from 24 livres to 7½ sols. A sum of 400,000 livres was issued in 1729, and 200,000 livres in 1733.



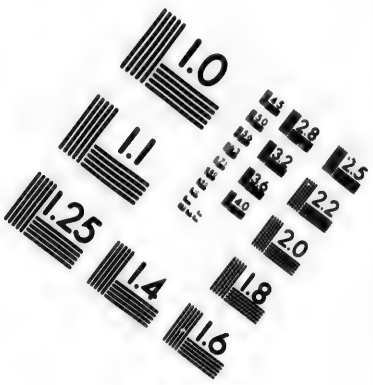


IMAGE EVALUATION
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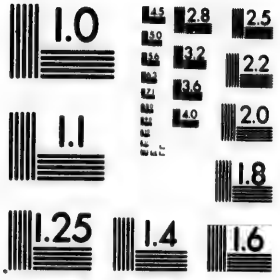

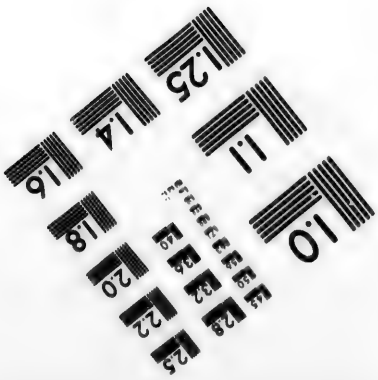

French State paper of the day, which he quotes, estimates at 5,000,000 livres "le tarif des dépenses que le Roy fait annuellement dans cette Colonie." The grossest corruption prevailed in the issue of the Bills and supplementary Ordonnances (issued by the Intendant alone, and ranging from 20 sols to 100 livres in denomination); but payment was more or less regularly made by the Paris Treasury until 1754, when it was deferred. In 1759 payment was refused pending an inquiry. As the inquiry of 1763 revealed scandalous malversations, the bills were reduced to one-half of their nominal value, and the Ordonnances to one-quarter. Bonds bearing 4, and afterwards 4½, per cent. interest were given in exchange for the outstanding 80,000,000 livres (over 3,000,000*l.* sterling) of these "Canada Bills," but the liquidation* was not complete until 1772. In the words of Mr. Parkman, "in the last bitter years of its existence, the colony floundered in drifts of worthless paper."†

The first step taken by the British Government was to pass on 14th September 1764 an Ordinance, which came into effect as from 1st January 1765 which proceeded to lay down ratings of the various coins in circulation on the basis of the Proclamation of Queen Anne in 1704 (*see* page 14); the fundamental provision of which was the rating of the Spanish dollar at 6 *s.*‡ for colonial currency. And the opportunity was taken at the same time to provide for the ready conversion of the old money of account by enacting that "in all agreements prior to, or since the Conquest, which have been made in livres according to the method of computation in use, the livre shall be estimated equal to one shilling of the currency hereby established, the dollar to be equal to six livres, or 6 *s.*, and in the same proportion for every coin herein specified." The list of coins in question was as follows:—

NAMES OF COINS.	Weight.		Currency.		
Gold:	*Dwts.*	*Grs.*	£.	*s.*	*d.*
Johannes of Portugal - - -	18	6	4	16	–
Moydore - - - - -	6	18	1	16	–
Caroline of Germany - - -	5	17	1	10	–
Guinea - - - - -	5	4	1	8	–
Louis d'or - - - - -	5	3	1	8	–
Spanish and French pistole - -	4	4	1	1	–

* As regards the Canada Bills, *see* Macpherson's *Annals of Commerce* (1805), Vol. 3, page 440. *See* also Anglo-French Convention of 29th March 1766.

† Curious, as bearing on the heavy expenses of administration two centuries ago, is the following statement in a letter of 22nd June 1700 from Governor the Earl of Bellomont to the Board of Trade:—"I suspect there's a Secret Service they are ashamed of. Fifty crowns was the price of every scalp the ffrench or their Indians carried to the Governor, whether they were Englishmen's scalps or those of our Indians, as I was told, and as I charged the Count de ffrontenac in a letter I writ to him."

‡ The sterling value assigned to the Spanish dollar by Sir Isaac Newton in 1704 was 4 *s.* 6 *d.* (*see* p. 14). Hence amounts stated in "Proclamation Money," as it was called, were to sterling as 4 : 3.

Names of Coins.	Weight.		Currency.		
Silver:	*Dwts.*	*Grs.*	£.	*s.*	*d.*
Seville, Mexican, pillar dollar -	17	12	–	6	–
French crown or 6 livre piece -	19	4	–	6	8
French piece passing at present at 4 *s.* 6 *d.* Halifax (currency).	15	16	–	5	6
British shilling - - - - -	-	-	–	1	4
Pistereen - - - - - -	-	-	–	1	2
French ninepenny piece - -	-	-	–	1	–
Copper:					
20 British coppers - - -	-	-	–	1	–

The provisions of this Ordinance were made retrospective by a further Ordinance of 15th May 1765, so as to cover engagements outstanding which had been entered into before the beginning of the year; and it was also made compulsory to use the new denominations or money of account. This latter provision being found unworkable, was repealed by a later Ordinance of 5th April 1768.

The main feature of the above ratings was the undervaluation of gold coins, the characteristic of the mainland colonies in the last century as compared with the West Indies. The same principle was followed in 1777 when "Proclamation Money" gave way to "Halifax Currency" in Old Canada, the rating of the dollar being reduced from 6 *s.* to 5 *s.* currency. By the Ordinance 17 Geo. III. c. 9, it is enacted that "the following species of coins shall pass current throughout this province, at and after the rates hereinafter mentioned, that is to say:

Gold.*	Weight.		Currency.		
	Dwts.	*Grs.*	£.	*s.*	*d.*
The Johannes of Portugal weighing	18	6	4	–	–
„ Moidore - - - -	6	20	1	10	–
„ Doubloon, or four pistole piece	17	–	3	12	–
„ Guinea - - - -	5	8†	1	3	4
„ Louis d'or - - - -	5	3	1	2	6

"paying two pence one farthing for every grain of gold under weight."

* It will be observed (i.) that the weights are uniformly increased except for the johannes and the Louis d'or, and (ii.) that the currency ratings are five-sixths of those of 1764, except for the Louis d'or (which is 8 *d.* lower than its proportionate rate), and for the doubloon (which is some 6 *d.* higher than its old proportion after allowing for increase of weight).

†This being the lowest weight at which the guinea was allowed by English law to pass current.

SILVER.

	s.	d.
The Spanish dollar - - - - - - -	5	–
„ British crown - - - - - - -	5	6
„ French crown, or piece of six livres *tournois* -	5	6
„ French piece of four livres ten sols *tournois* -	4	2
„ French piece of thirty-six sols *tournois* - -	1	8
„ French piece of twenty-four sols *tournois* - -	1	1
„ British shilling - - - - - - -	1	1
„ Pistereen - - - - - - - -	1	–

"And all the higher or lower denominations of the said gold and silver coins shall pass current in their due proportions. And the said species of coins or any of them, at the said rates, shall be deemed a legal tender in payment of all debts whatever." But it was provided that "no person shall be obliged to receive at any one payment above the value of one shilling in copper money." The result of this Act was to banish gold and to establish silver monometallism. It remains to be considered which of the silver coins was now constituted the local standard of value.

As the Spanish dollar, containing, from 1772 to 1808, 371·75 grains of fine silver, was worth (at 5 *s.* 2 *d.* per oz. standard) only about 4 *s.* 2 *d.* sterling, the British crown, when rated at 5 *s.* 6 *d.* currency, was undervalued about 4 *d.* currency, and so was debarred from circulation.

And a like fate attended the Spanish dollar itself, as a consequence of the 5 *s.* 6 *d.* rating of the French crown, containing (when of full weight) only 403 grains of fine silver. For, when 5 *s.* 6 *d.* currency could be legally paid in Canada by a French coin, containing 403 grains fine, debtors naturally abstained from making payment in 1 1-10 Spanish dollars, containing 408·87 grains fine. But, as 5½ pistareens* were legal tender for 5 *s.* 6 *d.*, and as, from 1772 to 1808, the pistareen contained only 69·105 grains of fine silver, it was possible by tendering pistareens to pay a debt of 5 *s.* 6 *d.* currency with 380 grains of fine silver, or less by 23 grains than the content of the French crown. Hence the pistareen was the cheapest tender, and must be regarded as theoretically forming the standard of value. But, for historic reasons, it would appear that a preference continued to be given to the French coins; and as these latter became lighter and lighter in weight by much wear, they effectively debarred better coins from local circulation.

On 7th May 1796, the Legislative Council of Lower† Canada passed the Act 36 Geo. III., c. 5, the preamble of which runs as follows :—

* *See* also under Jamaica, the Bahamas, &c.; and *see* page 395.

† In 1791 Old Canada was divided into the two Provinces of Upper and Lower Canada.

‡ The *Official Gazette* of 18th October 1792, contains proposals for a "Canada Banking Company," emanating from merchants, &c., who had "experienced great inconvenience in Canada from the deficiency of specie or some other medium to represent the increasing circulation of the country, as well as from the variety of the money now current." Stevenson states that they "succeeded in forming a private bank only, chiefly of deposit, not of issue."

"Whereas it will tend to prevent the diminution‡ of the specie circulating in this Province, that the same be regulated according to a standard that shall not present an advantage by carrying it to the neighbouring countries, and *whereas by the Ordinance now in force for regulating the currency of this Province, an advantage does arise by carrying gold coin out of the same*, be it therefore enacted," &c.

The following ratings were then laid down in order to retain gold :—

	Weight.*		Currency.		
Gold.	*Dwts.*	*Grs.*	£.	*s.*	*d.*
British guinea - - - -	5	6	1	3	4
Johannes of Portugal - - -	18	0	4	–	–
Moidore „ - - -	6	18	1	10	–
Milled doubloon, or 4 pistole piece, of Spain - - - - -	17	0	3	14	–
French Louis d'Or, coined before 1793 - - - - -	5	4	1	2	6
French pistole, coined before 1793	4	4	–	18	–
American Eagle† - - - -	11	6	2	10	–
Silver.					
British crown - - - - - - -			–	5	6
„ shilling - - - - - - -			–	1	1
Spanish milled dollar § - - - - -			–	5	–
„ pistareen - - - - - -			–	1	–
French crown, coined before 1793 - - -			–	5	6
„ piece of 4 livres 10 sols tournois - -			–	4	2
„ „ „ 36 sols tournois - - -			–	1	8
„ „ „ 24 „ „ - - - -			–	1	1
American dollar - - - - - -			–	5	–

"And all the higher and lower denominations of the said gold and silver coins shall also pass current, and be deemed a legal tender in payment of all debts and demands whatsoever in this Province, in the same proportions respectively." For every grain of gold (in *all* the gold coins mentioned), above or below the above weights, 2¼ *d.* was to be allowed or deducted in payments by tale; but over 50 *l.* currency either party might require gold coins to be weighed, computing the gold coin of Great Britain, Portugal, and America at 89 *s.* currency per ounce, and the gold coin of Spain and France at 87 *s.* per ounce.

Precisely similar provisions were enacted on 3rd June 1796 for Upper Canada, by the Act 36 Geo. III., c. 1.

* It will be observed that the *weights* are generally reduced.

† *i.e.*, the old Eagle, which was of British standard fineness, and contained 247·5 grains of fine gold.

§ "Equal to 4 *s.* 6 *d.* sterling money," observes the Act incidentally, referring to Queen Anne's Proclamation of 1704.

Practically, therefore, what was done in the two Provinces in 1796, was (i), to raise the (light weight) doubloon 2 *s.* nearer to its intrinsic value, relatively to other gold coins, and (ii), to give legal currency to the new American Eagle and silver dollar.

But the under-rating of Spanish and French gold continued to drain such coins out of the country; and, "whereas by the Act now in force, the relative value of gold coins current in this Province is not accurately established," the Act 48 Geo. III., c. 8, was passed in Lower Canada in 1808; and the similar Act 49 Geo. III., c. 8, in Upper Canada in 1809.

By these Acts the doubloon was raised by 6 *d.* to 3 *l.* 14 *s.* 6 *d.*; the Louis d'or by 2 *d.* to 1 *l.* 2 *s.* 8 *d.*, and the French pistole by 3 *d.* to 18 *s.* 3 *d.*, for payments by tale; whilst for payments of over 20 *l.* currency (as against 50 *l.* in 1796), payment might be made by weight—(i) at the old rate of 89 *s.* per ounce for American, Portuguese, and British gold coins, and (ii), at the increased rate of 87 *s.* 8½ *d.* per ounce for Spanish and French gold coins. It was further provided that for every grain above or below the standard weights cited above, an allowance should be made,—(i) of 2½ *d.* currency per grain for American, Portuguese, and British gold coins, and (ii), of 2½ *d.* currency per grain for Spanish and French gold coins.

It will be observed that, though provision was made for weighing gold coins, no penalty was imposed on light *silver;* and this immunity continued to maintain silver coins as the real standard of value throughout Canada.

Thus far the currency of the two Provinces of Old Canada was governed by similar enactments, each step being taken with a view to keep the under-rated gold coins in circulation.*

* On 1st August 1812, in order to provide funds for the American War, the Provincial Parliament of Lower Canada passed an "Act to facilitate the circulation of Army Bills," to a total amount not exceeding 250,000 *l.* currency, and in denominations of (i) $4 and (ii) $25 and upwards. The $4 notes were payable in cash on demand; the higher denominations bore interest at the rate of 6 per cent., and were redeemable either in cash or in bills on the London Treasury at a rate of exchange to be fixed once a fortnight. The maximum issue was increased to 500,000 *l.* by Act of 15th February 1813, and to 1,500,000 *l.* by a further Act of 1814. The latter Act provided that "a sum no less than 200,000 *l.* and not exceeding 500,000 *l.* shall be in bills of 1, 2, 3, 5, and 10 dollars, such bills (being) payable as those of larger denominations in bills of exchange on London, and not bearing interest, and that the holders of such bills shall be entitled to demand Army Bills of $50 and upwards bearing interest." No notes were issued after 1st February 1815. The grand total of Army Bills issued was 3,441,993 *l.* 10 *s.*, made up as follows:—

	£.	s.	d.
Bills of 25, 50, 100, and 400 dollars	2,793,612	10	–
Bills of 1, 2, 3, 5, and 10 dollars -	551,500	–	–
Bills redeemed with specie only,—			
$4 - - - - - -	52,131	–	–
$1 - - - - - -	44,750	–	–
Total - - -	£. 3,441,993	10	–

The above Acts were repealed in 1817, and the Army Bill Office was finally closed on 24th December 1820.

"The introduction of this paper currency," observed a writer in the "Quebec

Though the most over-rated of the larger coins was the light French crown, yet, as fresh supplies of this coin and its subdivisions were impossible, it cannot be regarded as having been the real standard of value, at any rate in Upper Canada. The volume of Spanish silver procurable may be taken to prove that, even in spite of its being rated on a par with the less valuable silver dollar of the United States, the standard of value in Canada was the Spanish dollar, or more properly the token pistareen.

This view is borne out by the evidence given in 1857 before the Decimal Coinage Commission by Mr. Draper, Chief Justice of Common Pleas in Upper Canada. According to his testimony, the circulation of Upper Canada in 1820 consisted mainly of Spanish coins, with some French crowns, &c. (though not to the extent prevailing in Lower Canada at that date). "Of gold," said Mr. Draper, "we saw very little except the English guinea, the value of which, by provincial statute at that time, was 23 *s.* 4 *d.* I do not remember to have seen any other gold coin in circulation at that time." But with one and the same metallic currency, the accounts of the Province of Upper Canada were complicated by two concurrent systems:—

(i) In the *Halifax* currency the "pound currency" was divided into 20 currency shillings, or four Spanish dollars, each rated at 5 *s.* currency.

(ii) In the *New York* currency the unit was the "York shilling," *i.e.* the Mexican Real, eight of which went to the Spanish milled dollar. Twenty "York shillings" made up the New York currency pound. But as the York shilling, or one-eighth of a Spanish dollar, was equivalent to only 7½ *d.* in Halifax currency, it follows that the New York currency pound was only equal to 12 *s.* 6 *d.* in Halifax currency.

The New York currency system of account was "prohibited virtually by the inconvenience the Legislature attached to drawing bills or notes or rendering accounts in that currency." The prohibitory Statute (2 Geo. IV., c. 13), was passed in Upper Canada on 14th April 1821, and thenceforward "we had the same coins in circulation as before; only all our accounts were kept in Halifax currency." It is, however, carefully to be borne in mind that by "Halifax currency" is meant merely that the denominations were (imaginary) pounds, shillings, and pence, with a 5 *s.* rating for the dollar. Out of political prejudice, as Mr. Draper observed, and in contravention of all commercial convenience, a nominal adherence to sterling was maintained *pari passu* with a circulation mainly composed of non-sterling coins.

In Lower Canada, in 1819, by the Act 59 Geo. III., c. 1,

Gazette" of 31st March 1815, "was certainly a seasonable and judicious experiment, and its unprecedented success has not only been a great pecuniary saving to Great Britain, but it has also contributed in no small degree to the preservation of these Provinces." (*See* Mr. James Stevenson's monograph of 1892, treating of Army Bills in elaborate detail.)

French gold and silver coins struck since 1792 were admitted to unlimited legal tender, the gold 20-franc piece of 4 dwts. 3 grs. at 18 *s.* 1 *d.*, the silver écu of 6 livres at 5 *s.* 6 *d.*, and the silver 5-francs tournois at 4 *s.* 8 *d.* By this step these silver French coins* were made the standard of value in Lower Canada, the Spanish dollar and its sub-divisions remaining the standard in Upper Canada. The popular money of account in Lower Canada remained livres, &c., at six livres to the Spanish dollar.

In 1825 was issued the Order in Council dated 23rd March of that year (printed at p. 425 *infra.*), which over rated the Spanish dollar at 4 *s.* 4 *d.* for concurrent circulation with sterling. As shown above (page 23), the object of this Order was to introduce British silver into general circulation throughout the colonies.

In 1827, under the influence of the above Order, the Provincial Legislature of Upper Canada passed the Act 7 Geo. IV., c. 4, whereunder the following ratings of British silver in currency were enacted, viz. :—

	s.	*d.*
British crown piece - - -	5	9
British shilling - - - -	1	2

As these rates co-existed with the 5 *s.* rating of the dollar (both Spanish and American), British silver coins could not be brought into circulation. The coin was either returned upon the Commissariat for Treasury Drafts, or bought up (for the New York market) at 6 *s.* currency per crown as a remittance to London, whenever the exchange ruled above 9½ per cent. premium, the 6 *s.* rate being equal to 8 per cent. advance on the New York sterling rate of 4 *s.* 6 *d.*, and 1½ per cent. being sufficient to cover freight, &c. But, further, the abundance of paper money was such that in 1828 it was reported that "the circulating medium of both provinces is paper; British coin is never seen, and, except among the Canadians below Quebec, rarely a silver dollar. Specie cannot swim so near the engrossing gulfs of the American paper circulation." The notes issued by the banks ranged as low as a dollar, or 5 *s.* currency.

The flooding of North America with pistareens led to the issue of a Report on their intrinsic value by the United States Mint on 1827. In consequence, they were accepted at only 17 in lieu of 20 cents. In 1830 Upper Canada passed the Act 11 Geo. IV., c. 6, demonetising the pistareen (or "shilling") and the French silver coins, and enacting that British silver coins should no longer pass current if they had lost 1-25th of their full weight. And a reduction of the rating of the pistareen to 10 *d.* was effected in Lower Canada by the Act 10 & 11 Geo. IV., c. 5. The result was to establish the dollar, in lieu of the pistareen, as the standard of value in Upper, if not in Lower Canada. In the latter province the worn écu still held the field, but growing scarcity of these old coins allowed South American dollars and U. S. half-dollars to circulate.

* It was estimated in May 1828 that there was about 50,000 *l.* worth of these coins in Lower Canada.

In 1834 the United States passed to a gold standard by the new coinage, whereby the old eagle passed for $10·67, and the sovereigns for $4·875 instead of $4·44. This important step was severely felt in Upper Canada,—all gold disappearing into the United States, and the only silver obtainable (that of the United States) being drained out of the country again in connection with the exchanges. In 1836, in consequence, it is alleged, of the presentation of notes for payment by foreign holders, an Act was passed in Upper Canada raising the rating of the British crown-piece to 6 *s.* currency, and of the British shilling to 1*s.* 3 *d.* currency, and providing for the denominational rating of the British sovereign, the Mexican dollar, and the United States eagle. The result is shown in the following table of currency values:—

	£.	*s.*	*d.*
United States eagle (old), weighing 11 dwts. 6 grains -	2	13	4
„ „ „ (new*) „ 10 „ 18 „ -	2	10	–
British guinea, weighing 5 dwts. 9½ grains - -	1	5	6
„ sovereign „ 5 „ 3½ „ - - -	1	4	4
„ crown - - - - - - - - -	–	6	–
Spanish milled Mexican - United States dollar - - - - - - -	–	5	–
Shilling† - - - - - - - - -	–	1	3

Being now over-valued with regard at once to the sovereign, the crown, the eagle, and the dollar, the shilling (being the cheapest tender of payment), drove out all the other coins, both gold and silver. Practically reduced thus to shillings (and six-pences, rated at 7½ *d.*) the Province of Upper Canada asked for a special silver coinage to be legal tender above its bullion value. Fortunately, this proposal, which emanated from the local note-issuing banks, and would have benefited them at the expense of the exchanges and prices, was rejected by the Home Government.

The only points of importance in Canadian currency during the next few years have reference to paper. In Lower Canada, in 1838 an Ordinance (2 Vict. c. 1) had to be passed to allow certain banks to suspend the payment of their notes in specie, owing primarily to the failure of the United States banks to redeem their notes in specie, and to the consequent purchase and presentation of Canada notes which were redeemable in British silver. In Upper Canada the total note circulation in 1837 is stated at about 200,000 *l.*, of which apparently a considerable part consisted of promissory notes of so-called private banks, "of doubtful solvency, and not subject to those checks which it is thought necessary to impose in regard to banks chartered by the Legislature." Accordingly, in 1837, the currency of Upper Canada was purged of such worthless paper

* *i.e.* the new eagle coined after 1834 and containing 232·2 grains fine.

† Commonly known as a "quarter dollar." This statutory action of Upper Canada finds an exact parallel, and anticipation, in the conventional action of Antigua, Jamaica, &c. It was copied directly from Nova Scotia (see *infra*).

by the passing of the Act 7 Will. IV., c. xiii., limiting the privilege of note issue to authorized banks, and making it a misdemeanour for other persons to issue a "bank bill or note intended to pass as money." This Act was copied in Lower Canada in 1839, with the addition of a prohibition against the issue of notes for less than 5 *s.* currency, a salutary prohibition which Upper Canada adopted in 1840.

After the issue of the Order in Council of 7th September 1838 (*see* page 27), revoking the 1825 Order "so far as respects Her Majesty's Colonies and Possessions in America and in the West Indies," no constructive Imperial legislation was passed affecting Canadian currency; but Bills passed the Legislatures both of Upper and of Lower Canada, retaining all the principal imperfections of their respective currency systems. These Bills did not receive the Royal Assent. Before any further legislation took place, the two Canadas were re-united in 1840 by the Imperial Act 3 & 4 Vict., c. 35, under the style of the "Province of Canada."

In 1841 the United Legislature passed the Act 4 & 5 Vic. c. 93, repealing all past currency legislation, and enacting as the new basis a "pound currency," such that 1 *l.* 4 *s.* 4 *d.* should equal the sovereign.

The following ratings by tale were laid down:—

Legal tender by tale to any amount.	Weight.		Currency.		
Gold:	*Dwts.*	*Grs.*	£.	*s.*	*d.*
United States eagle, coined before 1834	11	6	2	13	4
United States eagle, coined since 1834	10	18	2	10	
British sovereign of Imperial weight -	—		1	4	4
Silver:					
Spanish milled United States - Peruvian - - Chillian - - Central American South " Mexican - - } Dollar- - -	17	4	–	5	1
Halves of the above dollars - -	8	14	–	2	6½
French 5-franc piece - - - -	16	0	–	4	8
Legal tender only up to 50 *s.* cy.:					
British crown, as lawfully current -	—		–	6	1
British coins of all other denominations at proportionate rates - - -	—			—	
Subdivisions of dollars, less than halves, not having lost 4 per cent. of their weight - - - - - -	—			—	

If the payment to be made in gold coins exceeded 50 *l.*, either party might insist on payment by weight (i) at 94 *s.* 10 *d.* currency per oz. for British gold coins, or United States gold coins struck before 1834, or (ii) at 93 *s.* per oz., for United States gold coins of the later issue.

For payment by weight, but not by tale, the following gold coins were admitted to unlimited tender "when offered in sums of not less than 50 *l.* currency":—

			£.	s.	d.
French 40-franc piece, and its multiples or divisions		per ounce	4	13	–
Spanish, Mexican, Chilian	Doubloon and the parts thereof	„	4	9	7
La Plata and Columbian	Gold coins	„	4	9	5
Portuguese and Brazilian	Gold coins	„	4	14	6

As the sovereign contains 113 grains of fine gold, it was properly valued, relatively to the eagle containing 232·2 grains fine And taking the Spanish and Republican dollars at 50 *d.* sterling, a tolerably exact equilibrium was obtained between the sovereign and eagle on the one hand and those dollars on the other. But, inasmuch as the United States dollar was rated equally with the Spanish and other dollars at 5 *s.* 1 *d.* currency, a preference of ½ per cent. was given to this coin in Canada. Since 10 of these coins were procurable, over the border in the United States, for a gold eagle rated only at 50 *s.* currency, it may be concluded that the real standard of value in Canada was now the silver dollar of the United States.

In 1850 the Parliament of the Province of Canada passed the Act 13 & 14 Vict. cap. 21, "to establish freedom of banking," which (i) repealed the Acts of 1837 and 1839, &c. in Upper and Lower Canada, but (ii) re-enacted their provisions as regards the restriction of issue privileges to authorised banks only, and (iii) limited issues to the face equivalent of provincial securities to be previously deposited by the banks. So far therefore as this Act applied, the Note circulation of the Province of Canada began to be specifically secured, though fiduciary only (cf. the Notes of the National Banks of the United States).

In 1851 there was a proposal to strike a "pound currency" in gold containing 92·877 grains of fine gold, with a decimal coinage in silver, subsidiary thereto. But nothing came, in Canada, of this scheme for perpetuating in gold the old 5 *s.* rating of the silver Spanish dollar.

In 1853 by the Act 16 Vict. cap. 158 (*see* also chapter 15 of the "Consolidated Statutes of the late Province of Canada") a further step was taken towards the adoption of the United States (gold) currency by providing that the denominations of money might be not only shillings and pence, but also "dollars,

cents, and mills." In consequence of the old 5 *s.* rating of the Spanish dollar, this statutory dollar (divided into 100 cents or 1,000 mills) was to be the quarter of the fictitious "pound currency." The sovereign was still rated at 1 *l.* 4 *s.* 4 *d.* (or $4.86) currency, and the gold United States eagle at 2 *l.* 10 *s.* (or $10) currency; but, after providing for the passing of British silver and copper coins at their proportionate sterling values within legal tender limits of 50 *s.* and 1 *s.* currency respectively, all other existing silver coins were demonetised. Provision was made for the introduction of a local system of token coins, which was in part carried out by the introduction of silver 20-cent, 10-cent, and 5-cent pieces, and of a copper 1-cent piece struck at the Royal Mint and made current by Letters Patent of 10th December 1858.* The total nominal value of this coinage of 1858 was $450,000, and it was struck in the following proportions, viz.:—$150,000 in 20-cent pieces, $125,000 in 10-cent pieces, $75,000 in 5-cent pieces, and $100,000 in bronze cents. In 1857 the rendering of public accounts in dollars and cents was made compulsory by the Legislature of Canada.

In 1866 the Province of Canada provided for the issue of Provincial Notes; but this subject will more conveniently be treated in connection with the Dominion issue.

It is now necessary to consider the currency of other Colonies which were amalgamated with the "Province of Canada" in or after 1867 to form the existing "Dominion."

II. NOVA SCOTIA.

In 1787 began the currency legislation of this Colony. In that year was passed the Act 28 Geo. III., cap. 9, "to prevent the circulation of base and counterfeit half-pence and other copper coin, and to establish the current value of English crowns, half-crowns, and shillings." The ratings fixed were 5 *s.* 6 *d.* for the crown, 2 *s.* 9 *d.* for the half-crown, and 1 *s.* 1 *d.* for the shilling, "and so in proportion for the lesser divisions of such coin." It will be observed that the Halifax rating of 5 *s.* for the Spanish dollar (taken to represent 4 *s.* 6 *d.* sterling in accordance with Newton's rating of 1717) underlies these ratings, and that a crown is rated a penny higher than five separate shillings. The real standard of value was thus the Spanish dollar and its subdivisions, especially the pistareen. It is to be noted that neither in this nor in any subsequent Act of the Colony was the silver dollar actually declared a legal tender. So familiar was the coin that its currency was taken for granted.

In 1817 an Act (57 Geo., III. cap. 2) was passed to get special copper half-pence coined in England for the Province. But the Royal Assent was refused, and no steps were taken.

On 23 March 1825 (*see* page 23) the Imperial Government issued the Order in Council and Proclamation for introducing British silver and copper tokens into general circulation throughout the Colonies. As the Royal Proclamation rated the dollar at 4 *s.* 4 *d.*

* *See* Reports of Committee of the Executive Council, approved by the Governor in Council on 16th June and 19th September 1857.

for concurrent circulation with sterling, "it was found expedient," by the Act 7 Geo. IV., c. 19, to repeal the above ratings of 1787 for sterling coins, "so that in future such coin may pass current in this Province according to the actual value." This repeal left the Colony without any legal currency whatsoever, though in practice it had no effect on the metallic circulation.

In 1834, in view of the monetary legislation of the United States in this year and the consequent drain to the United States of all gold coins and all coins representing a gold standard, Nova Scotia proceeded to pass in self-defence the Provincial Act 4 Will. IV., c. 61, from which the following noteworthy words are cited:—

"Whereas the adoption of British sterling money in the currency and monies of account of and thoughout all His Majesty's dominions would be highly useful, and tend to unite more closely the interests of the colonies with those of the Mother Country. But to make such alteration in the currency of this Province, at present, would be *inconvenient and inexpedient, unless the same were adopted in the adjoining Provinces;* and whereas, in the meantime, and until such changes shall be made in the currency of other Colonies, it is requisite and necessary to establish a standard of value and an equivalent for property, which may be obtained by fixing a value upon foreign gold and British silver coins: Be it therefore enacted that" the following rates, &c., shall be established, viz.:—

English shilling*	=	1 *s.* 3 *d.* currency	} with a 50 *l.* limit
„ sixpence	=	7½ *d.* „	} of legal tender.
Spanish American doubloons†	=	4 *l.* „	

The ratio between British silver (as representing the gold sovereign) and the doubloon (worth 64 *s.* sterling) was just. But as the silver dollar continued to be rated at 5 *s.* currency,‡ whereas its sterling value was 4 *s.* 2 *d.*, this coin was under-rated 2½ *d.* currency. Practically, therefore, the shilling (as a "quarter-dollar") and the doubloon formed the standard of value under this Act. But, in addition, there was about 50,000 *l.* sterling in Province Paper in circulation which had not for many years been redeemable at the Provincial Treasury.

In the year 1836 ("in consequence of the present disordered state of the currency") the Provincial Act, 6 Will. IV., c. 41, was passed, formally rating the sovereign at 25 *s.* with proportionate rating (*i.e.* at the 1834 figures above) for British silver coins within a 40 *s.* limit of legal tender.

* The crown and half-crown were left to find their own currency value and passed during the whole of 1834 at 6 *s.* and 3 *s.* respectively. These coins were almost without exception paid back to the Commissary for Bills on the London Treasury.

† "The difficulty of procuring British coins in the ordinary course of trade still continuing."

‡ When Mexican dollars were introduced in 1834 by the Commissariat they were bought up by speculators at 5 *s.* 3 *d.* currency for the United States. But as this speculation did not answer, they gradually fell to 5 *s.* again, much to the annoyance of the soldier who now got only four British shillings in exchange.

In 1839, in consequence of the above-mentioned under-rating of the silver dollar, the local Act 2 Vict. c. 37, was passed as to paying Treasury Notes in dollars, not at their "value in the old Halifax currency of 5 *s.*," but at current rates, stated to have "fluctuated of late from 5 *s.* 1 *d.* to 5 *s.* 3 *d.*" In 1839 the coins in circulation were stated to be mainly doubloons and British silver.

In 1842,* by the Act, 5 Vict. c. 8, the Provincial Legislature, to regularise the conventional ratings in force, enacted the following just currency values, taken from the Imperial Proclamation of 1838 (*see* page 27), viz.:—

	Currency.			Sterling.		
GOLD:	£.	*s.*	*d.*	£.	*s.*	*d.*
Doubloon†	4	–	–	3	4	–
Sovereign	1	5	–	1	–	–
SILVER:						
Peruvian, Columbian, Mexican, Old Spanish Dollar‡	–	5	2½	–	4	2
Shilling	–	1	3	–	1	–
Penny	–	–	1	–	–	1
Halfpenny	–	–	–½	–	–	–½

The limit of legal tender was fixed at 40 *s.* sterling, or 50 *s.* currency, for British silver, and at 1 *s.* currency for British copper coins.

As late as 1846, as appears from the Act 9 Vict. c. 52, "the practice of making promissory notes . . . payable in timber, country produce, and other specific articles, prevails to a great extent in this Province."

In 1859 (*see* 22 Vict. c. 24) public accounts were to be kept in dollars and cents, with an optional second column for £. *s.* *d.*; and for this purpose a sovereign was to be brought to charge at 5 dollars, and silver coins in proportion. This preliminary step led in 1860 to the passing of the Act 23 Vict. c. 3, whereby, in addition to prescribing dollars and cents as the sole denominations

* *See* Report of a Currency Committee, dated 4 March 1839, and ordered to be printed on 7 March by the Assembly.

† Weighing not less than 415 grains, and containing not less than 360 grains fine gold.

‡ Weighing not less than 416 grains, and containing not les than 373 grains of fine silver.

of money, the following ratings of legal tender coins were enacted, viz.:

	Currency.	Sterling.
	$. c.	£. s. d.
Sovereign	5	1 – –
Doubloon (of 360 grains fine)	16 –	3 4 –
Peruvian, Mexican, Columbian, Old Spanish — Dollar of 373 grains fine	1 4	– 4 2

A 10-dollar limit of legal tender was placed on British silver coins, which were rated in currency as follows:

	$. c.
Crown	1 25
Half-crown	– 62½
Florin	– 50
Shilling	– 25
Sixpence	– 12½
Fourpence	– 8

For bronze and copper money the limit of legal tender wa fixed at 25 cents (1 *s.*), and old provincial copper pence were to b withdrawn from circulation to make way for a new local issue.e Under this latter provision the following coinages were struck at the Royal Mint, viz.:

Year.	Cents.	½ Cents.	Total.
	$.	$.	$.
1861	8,000	2,000	10,000
1862	10,000	—	10,000
1864	8,000	2,000	10,000
Total nominal Value $.	26,000	4,000	30,000

It will be observed that the metallic currency of the United States had not been adopted in Nova Scotia prior to its inclusion in the Dominion, and that no specific rating of the eagle had been fixed.

When Nova Scotia was incorporated in the Dominion of Canada, old debts were to be paid at the rate of 73 cents of the

In 1856 the Province had obtained 1,250 *l.* in "pence," and 1,250 *l.* in "half-pence" from the Royal Mint. By the Act of 1859 these coins were to be called in and exchanged at 60 pence to the dollar.

new Canadian currency for every 75 cents of Nova Scotia currency.

III. NEW BRUNSWICK.

This Colony, ceded to Great Britain in 1763, formed part of the colony of Nova Scotia until 1785, when it was erected into a separate colony. In New Brunswick, as in Nova Scotia, the currency basis was the rating of the Spanish dollar at 5 *s.*

In 1786, by the Act 26 Geo. III. c. 16, the following ratings were laid down:

	£.	*s.*	*d.*
Gold:			
Portuguese half Johannes (or $8) -	2	–	–
English guinea - - - - -	1	3	4
Silver:			
English crown - - - - - -	–	5	6
French crown - - - - - -	–	5	6
Spanish dollar - - - - - -	–	5	–

Practically, the pistareen (as a "shilling") was hereby established as the standard of value.

"Whereas it will tend to prevent the diminution of gold specie circulating in this province, and whereas an advantage does arise by carrying gold coins out of the same" (says the Act of 1805, 45 Geo. III. c. 4), the following currency ratings were enacted:

	Dwts.	*grs.*	£.	*s.*	*d.*
British guinea - - - - -	5	6	1	3	4
Portuguese Johannes - - - -	18	0	4	–	–
Portuguese Moidore - - - -	6	18	1	10	–
Spanish doubloon - - - - -	17	0	3	14	–
French Louis d'Or (coined before 1793)	5	4	1	2	6
French pistole (coined before 1793) -	4	4	–	18	–
American eagle* - - - - -	11	6	2	10	–

"And all the higher and lower denominations of gold coin shall also pass current and be a legal tender, in payment of all debts and demands whatsoever in this province in the same proportion respectively."

For every grain, more or less than the above standard weight, 2¼ *d.* currency was to be added or deducted in payments by tale. In all payments over 50 *l.* currency either party might require the gold to be weighed at 89 *s.* currency per ounce for the gold coins of Great Britain, Portugal, and America, and at 87 *s.* per ounce for the Spanish and French gold. "No plugged gold of any kind shall from and after the passing of this Act be a lawful tender in this Province." The above Act of 1805 was copied from the 1796 Acts of the two Provinces of Old Canada, and failed, equally with them, to retain in circulation gold coins other than those of the United States. After the reformation of the Imperial coinage in 1816, under the Imperial Act 56 Geo. III. c. 68, the Provincial

* Containing 247·5 grains of fine gold up to 1834.

Act of 60 Geo. III. was passed, and, after approval by Order in Council of 1st February 1821, was published in the Province on 5th June 1821. This Act rated the new sovereign (containing 113 grains of fine gold) at 22*s.* 3*d.* currency* (on analogy with the old rating of the guinea), and repeated the old rating of the British crown-piece at 5*s.* 6*d.* and so forth. The silver dollar of the United States was formally rated at 5*s.*, in accordance with the United States valuation of these coins at ten to the eagle.

The result of the under-valuation of British coins, both of gold and silver, was that they passed, not at their legal rates, but at prices varying with the exchange with England. The eagle being over-valued by over 1*s.* 3*d.* relatively to sterling, remained the standard of value, and the only coins that could be kept in concurrent circulation with it were a few light French crowns and (with difficulty) the silver dollars of the United States. New Brunswick had, in fact, practically adopted the currency of the United States with its over-valuation of gold.

About 1828 it was agreed popularly not to receive the pistareen for more than 20 sous (*i.e.*, $\frac{1}{6}$th of a dollar), and with $1 as a limit of tender. This step followed on the action of the United States in 1827. In order to retain sterling coins in circulation, the local Legislature passed an Act in 1843 rating the sovereign at 1*l.* 4*s.* 2*d.*, the eagle† at 2*l.* 10*s.*, the British crown at 6*s.* 0½*d.*, the French crown at 5*s.* 6*d.*, and dollars at 5*s.* currency. The Royal Assent was refused to this measure and it never became law. Under its provisions the eagle would have been over-valued about 4*d.* currency, relatively to the sovereign containing 113 grains fine. But in the next year a still less satisfactory measure was passed, establishing the following currency ratings:

	£.	*s.*	*d.*
United States eagle	2	10	–
Sovereign	1	4	–
Crown-piece	–	6	–
Spanish / Mexican / South American / United States dollar	–	5	–

It will be observed that even under this Act the eagle was over-valued relatively to sterling by over 8*d.* currency, or about 1½ per cent. It therefore continued to be the local standard of value.

On 7th April 1852 was passed the Act of the Legislature of New Brunswick, 15 Vict. c. 85, confirmed by an Order in Council of 30th June 1852 and Proclamation thereunder. Under this Act the denominations of dollars and cents in accounts were permitted, though the unit of account was fixed as the "pound currency," and the Act contemplated a local coinage.

* At 23*s.* 4*d.* for the guinea, the sovereign should have been 22*s.* 2½*d.*, as the Mint advised at the time.

† Containing since 1834 only 232·2 grains of fine gold.

The following were the ratings in currency :—

	£.	s.	d.
(New) United States eagle*	2	10	–
Sovereign	1	4	4
Crown	–	6	1
Shilling†	–	1	2½

A 50 *s.* limit of legal tender was fixed for British silver coins. By these new ratings no preference was given to United States gold coins over sterling; but as there was no profit to be obtained by importing British gold or silver coins, the eagle may still be regarded as the standard.‡

In 1860, by the Act 23 Vict. c. 48, the denomination of dollars and cents were definitely adopted for accounts, with permission to have a second column for "sterling" values. The basis of the local currency was made the statutory dollar, divided into 100 cents and 1,000 mills, such that $4 = 1 *l.* currency, and 20 cents = 1 *s.* currency. And under the provisions of the same Act it was decided in 1860 to issue a subsidiary coinage of $60,000 in silver and bronze to be coined at the Royal Mint in the following proportions :—

	$	
Silver	30,000 in 20 cent. pieces	Struck in 1862.
„	15,000 „ 10 „	
„	5,000 „ 5 „	
Bronze	10,000 „ cents§	Struck in 1861.

A further coinage of the same pieces was sanctioned in 1864 to the nominal value of $55,000 in the following proportions :—

	$	
Silver	30,000	in 20 cent. pieces.
„	10,000 „	10 „
„	5,000 „	5 „
Bronze	10,000 „	cents.§

No subsequent coinages were executed for New Brunswick, which thus possessed on its entry into the Dominion of Canada no other coins of its own than the above $115,000 in tokens. It was provided in 1871 (*see infra*) that these coins should be a legal tender throughout the Dominion.

* *See* also the Provincial Act 16 Vict. c. 33.

† It will be seen that the shilling was under-valued with regard to other British coins. Probably it was in view of a flooding of the country with crowns and half-crowns, that the 7th section of the Act enabled the Lieutenant-Governor by Proclamation "to stop the circulation" of any British silver coins after six months' notice.

‡ In 1854 the colony obtained from the Royal Mint 2,000 *l.* in "pence" and 1,000 *l.* in "half-pence" for local circulation.

§ Half-cents, also, are stated to have been coined (*see* Atkins, p. 279); but they were not struck at the Royal Mint, and are, therefore, very doubtful. Possibly Sandham, whom Atkins quotes as his authority, has mistaken the Nova Scotia half-cents of 1861 and 1864.

IV. Prince Edward Island.

After its capture in 1758, this island, like New Brunswick, was annexed to Nova Scotia in 1763*, but seven years later was constituted a separate colony, on petition of the inhabitants.

In a revenue Act of 1785 (25 Geo. III., c. 4, s. 2) "lawful money of this island" is defined as being "at the rate of five shillings per Spanish milled dollar," the standard currency rating of this coin in British North American Colonies.

The 18th century rating of the dollar at 4 *s.* 6*d.* "sterling" long survived in the colony. In the words of the Act of 1851, 14 Vict. c. 33:—"Sterling money ever since the settlement of the colony has, with few exceptions, been paid and received in the liquidation of quit rents by the addition of one-ninth part to the sterling, in order to reduce it to the currency of this island, without having regard to the fluctuating commercial premium or discount of exchange." It is thus probable that the Orders in Council and Proclamations of 1825 and 1838 had no effect in this colony. *See* also recitals in the Act 16 Vict. c. 4.

The money of account was depreciated by the excessive issue of irredeemable Treasury notes, 5 *l.*, 2 *l.*, 1 *l.*, 10 *s.*, and 5 *s.* each. According to the Journal of the House of Assembly for 1853, "the first issue of Treasury notes was made in 1825 to the amount of 5,000 *l.*, while in that year the net revenue of the colony amounted only to 2,500 *l.*; and from 1825 to 1833 inclusive, additional issues of Treasury notes were successively made, to the amount of 14,000 *l.*, which several issues amounted in the whole, on 31st January 1834, to 16,500 *l.*, and the net revenue of that year, ending 31st January 1834, was 16,925 *l.*; and from that period 1,000 *l.* were cancelled annually, until the sum of 5,000 *l.* was liquidated, which reduced the amount of Treasury notes afloat to 11,500 *l.*, which sum is still in circulation."† About the date when this reduction had been effected, the undue issue (reaching 23,712 *l.* in 1851) of six per cent. "warrants" in small amounts by the colonial Government in anticipation of revenue, led to a great depreciation of currency. For, it was stated as early as 1839 that "20 British shillings pass conventionally as the equivalent of 30 *s.* island currency," instead of about 24 *s.* before depreciation set in. And even at this higher rate it was found impossible to retain coin in circulation, as appears from the report of a local Commission of 1847. There

* "The late Earl of Egmont, First Lord of the Admiralty, proposed settling the island on a feudal plan, his Lordship to be Lord Paramount of the Island, which was to be divided into a certain number of baronies to be held of him, every baron to erect a stronghold or castle, to maintain so many men in arms and with their under-tenants to perform suit and service, according to the custom of the ancient feudal tenants in Europe" ("An Account of Prince Edward Island," by John Stewart, London, 1806).

† *See* Acts 5 Geo. 4, c. 18; 6 Geo. 4, c. 12 (authorising 10 *s.* notes); 11 Geo. 4, c. 16; 1 Wm. 4, c. 15; 3 Wm. 4, c. 13 (directing cancellation of 1,000 *l.* yearly for five years); 5 Wm. 4, c. 11 (making issue perpetual); and 10 Vict. c. 12 (authorising exchange of old for new notes). The maximum issue consequently remained 11,500 *l.* in notes of from 5 *l.* to 5 *s.*

In 1845 the Home Government refused to sanction a proposal from the colony to make a further issue of 15,000 *l.*, to be redeemed in 15 years.

was (naturally) no local bank at this time; and the convertible notes of the private banks in Nova Scotia and New Brunswick circulated in Prince Edward Island by 1852 to the amount of 150,000 *l.*

The colony meantime had been led to favour a Government note issue, and in 1848 a Bill passed the House of Assembly providing for a specie reserve amounting to one-third of the issue; the Legislative Council wished to increase the reserve to half, and the Bill dropped. In the next Session, though nothing was done as t note issue, a re-valuation of the current coins was effected as a preliminary to currency reform. Under the Island Act, 12 Vict. cap. 24 (which received the Royal Assent on 6th October 1849), the following currency ratings were established, viz. :—

	£.	*s.*	*d.*
Doubloon (weighing not less than 415 grains)	4	16	–
Eagle „ „ „ 258 „	3	–	–
Sovereign ("being of full weight")	1	10	–
Shilling* (&c., in proportion)	–	1	6
United States / Peruvian / Mexican / Chilian / Spanish milled / Central American Dollar (Weighing not less than 412 grains, of which 370 grains must be fine silver.)	–	6	3
Half dollars	–	3	–
Quarter dollar	–	1	6
Half-quarter dollar	–	–	9
Five-franc piece	–	5	6
Pence of United Kingdom, Canada, Nova Scotia, and New Brunswick (with 1*s.* 6*d.* limit of legal tender)	–	–	1

The main features of this Table were already popularly in force, as is proved by their appearance in the table which is printed in the 1844 edition of M'Culloch's Commercial Dictionary (*Art.* Quebec).

The ratings of British coins were correct relatively to one another and to the doubloon and Spanish dollar. The United States silver dollar was overrated relatively both to other dollars and to the eagle, which latter coin was undervalued about 1 *s.* 8 *d.* as against the British sovereign. Thus the United States silver dollar was made the insular standard. But, by section 3 of the Act 19 Vict. cap. 1, the United States silver dollar was ordered to be valued at only 6 *s.* currency for calculating duties on imports.

In 1864 a limit of legal tender on silver coins was first introduced, the limit being fixed by the Act 27 Vict. cap. 15, at 6 *l.* currency (= 4 *l.* sterling).

In 1870 (by the Act 33 Vict. cap. 17) French five-franc pieces and all the silver dollars, with their sub-divisions, were demonetised. In 1871 it was "deemed expedient to assimilate the

* No limit of legal tender was prescribed for British or other silver coins.

currency of this Island to that of the Dominion of Canada and of the United States of America, and to introduce a decimal system of keeping accounts in the public offices into this country." Accordingly, by the Act 34 Vict. cap. 5, the dollar of 100 cents was made the unit of account, and constituted on the United States ratio of $4.86 cents to the sovereign. The following ratings were fixed by the Act :—

	$	cts.
British sovereign	4	86
„ crowns	1	20
„ half-crowns	0	60
„ shilling	0	24
„ sixpence	0	12
United States gold dollar	1	0
Spanish doubloon	16	0
Mexican „	15	40
French 20-franc piece	3	80
„ 5 „ „	0	90
Spanish silver dollar	1	0
Mexican „ „	1	0
Pound currency	3	24

Canadian silver coinage (face value).

This important Act omitted to place a limit of legal tender on silver coins, and re-monetised the French, Spanish, and South American coins. These oversights would appear to have been speedily felt; for, in the following year, the Act 35 & 36 Vict. cap. 12, placed limits of $10 and 25 cents on the tender of silver and copper coins respectively, and demonetised all "foreign silver coins." The Lieutenant-Governor having been empowered by Section 5 of the Act of 1871 to provide a coinage of cents for the island, a million bronze cents were struck in 1871 by Messrs. Heaton and Sons, of Birmingham, under the supervision of the Royal Mint. This $10,000 in bronze cents was the contribution of the Island to the currency of the Dominion when incorporated therein in 1873. But it was not till 1881, as will be seen later, that the Dominion currency system was extended to this colony.

V.—Dominion of Canada.*

A.—Metallic Money.

The International Monetary Conference at Paris in 1867 led to the passing of the first currency legislation of the new "Dominion of Canada."† It was presumed that the 25-franc piece in gold, containing 112 grains fine, would be the standard international coin, and that the U.S. half-eagle would be adjusted to the same weight. Consequently the Dominion Parliament, in assimilating the currency of New Brunswick and the two Provinces of Canada to that of the United States, declared that it was desirable that the

* By Royal Proclamation of 27 May 1867 the Imperial Act 30 Vict. c. 3 was brought into operation, uniting the Province of Canada with Nova Scotia and New Brunswick to form the "Dominion of Canada."

† *See* U.S. and Canadian Bills in Rpt. on Intern. Coinage, 1868.

currency of Canada should remain of the same value as that of the United States, and therefore made contingent provision for the adoption of the basis recommended by the Conference, if such basis should be adopted in the United States (31 Vict. cap. 45). The Act provided for the retention of the "pound currency," as the equivalent of $4, such "pound currency" to contain 89·601 grains of fine gold, or 97·747 grains standard gold. As regards existing contracts, 23 cents 22 mills of the new currency were to represent 22 cents 40 mills of old currency (except in Nova Scotia, where 121 new cents were to be equivalent to 120 old cents); and the British sovereign was to pass for $5·04⅓.

The above Act of 1868 was repealed by the Dominion Act of 1871, 34 Vict. c. 4 (Chapter 30 of the Revised Statutes of Canada, 1886), which assimilated the currency of Nova Scotia to that of Ontario, Quebec, and New Brunswick, establishing dollars, cents, and mills as the currency of the whole Dominion of Canada, and adopting the *gold* coins of the United States for circulation concurrently with the British sovereign rated, according to metallic content, at $4. 86⅔. Provision is, indeed, made for the coinage of special gold coins for Canada, but no such coins have been struck. The *metallic* currency is, therefore, on an exclusively gold basis, and consists almost entirely of eagles and other United States gold coins. British sovereigns occur at Halifax, where British troops are stationed, and an Imperial dockyard has been established. But as a matter of fact, gold is rarely seen in circulation in the Dominion, its place being taken by Bank and Dominion notes (see *infra*). If gold is required (*e.g.*, by individuals going to England), it is obtained from a bank.

As regards subsidiary coinage, reference has been made above (p. 188, 191, 194, and 197) to the silver 20-cent, 10-cent, and 5-cent pieces, and copper cents, struck for the Province of Canada, New Brunswick, Nova Scotia, and Prince Edward Island respectively. The total nominal value of these coinages was $605,000. It was provided by Section 7 of the Act of 1871 that these coins (not including those of Prince Edward Island, which was not then part of the Dominion) should continue to be legal tender in Ontario, Quebec, and New Brunswick, and from 1 July 1871, should be legal tender in Nova Scotia also. Provision was at the same time made for the striking of Dominion tokens, which were to be legal tender, the silver up to $10, and the copper or bronze coins up to 25 cents. "No other silver, copper, or bronze coins than those which Her Majesty shall have caused to be struck for circulation in Canada, or in some province thereof, shall be a legal tender."*

In 1881, by the Act 44 Vict. c. 4, the provisions of the above Act of 1871 were extended to the Provinces of British Columbia and Prince Edward Island, so that the metallic currency of the Dominion is now uniform. And in 1886 the currency Acts were consolidated by Chapter 30 of the Consolidated Statutes of 1886.

* *See* the Act 31 Vict. c. 47, "respecting the manufacture or importation of copper coins or tokens."

The subsidiary coinage of the Dominion is struck at, or on behalf of, the Royal Mint in London, and is of the following denominations:—

Silver	50 cents.
"	*25 "
"	10 "
"	5 "
Bronze	1 cent.

The Royal Mint† gives $6,189,110 as the total subsidiary coinage (including the $450,000 struck in 1858); but this is less than the total according to Dominion authorities, which is by them given at $6,229,110, irrespective of the provincial coins and 20-cent pieces. On the latter basis the amount of subsidiary coin per head of the total population (which stood at 4,833,665 in 1891) is slightly over $1\frac{1}{4}$.

B.—Paper Currency.

(i.) Dominion Notes.

In 1866 the Legislature of the Province of Canada passed the Act 29 & 30 Vict. c. 10, "to provide for the issue of provincial notes" to an amount not exceeding $8,000,000 in all, viz.:—(i) $5,000,000 on general account, and (ii) $3,000,000 in exchange for provincial debentures to be taken by banks surrendering their power of issues. These "Provincial Notes" were to be redeemable on demand in specie and to be a legal tender. By offering 5 per cent. compensation on existing circulation, it was hoped to arrange for the gradual surrender by the chartered banks of their power of issue; and no new banks were to be allowed a like privilege. For securing the provincial issue, it was provided that the redemption fund (up to $5,000,000 of notes) should consist of 20 per cent. in specie, and that the balance of the issue should be covered by Provincial debentures. Over $5,000,000, the specie was to be 25 per cent. From the 8th section of the Dominion Act of 1868 (31 Vict. c. 46) it appears that the sum of $5,000,000 was "issued for general purposes of the Province, and a further amount for purposes relative to the surrender by the Bank of Montreal of its power to issue notes." With the above issue began the important system of what are now "Dominion Notes."

In 1868, after regulating coin, the Dominion Parliament proceeded to regulate paper currency. The Act 31 Vict. c. 46 (i) took over the $8,000,000 of "Provincial Notes" issued or prepared for issue two years before, (ii) offered to chartered banks the same terms as the Province of Canada had offered in 1866; and (iii) secured the Dominion issue by a 20 per cent. deposit of specie up to $5,000,000 of notes, and 25 per cent.

* This departure from a purely decimal system by introducing a quarter dollar instead of a 20-cent piece was on analogy with the currency scheme of the United States. It is true that by the United States Act of 3rd March 1875 provision is made for a 20-cent piece; but as it was not readily distinguishable from a quarter-dollar, only a limited number of the new coins were issued, and they have since been withdrawn as far as possible.

† Twenty-second Annual Report of the Deputy Master of the Mint, 1891 (c. 664).

beyond; the balance of the issue to be covered by Provincial or Dominion debentures. No bank except the Bank of Montreal* surrendered its issue under the scheme of 1866–68.

In 1870, by the Act 33 Vict. c. 10, it was provided that the normal issue of Dominion notes might be increased to $9,000,000, to be secured as to 80 per cent. by debentures, and as to 20 per cent. by specie; and an excess issue to any amount was allowed, provided it were wholly against specie. But, as the outlet for paper was steadily growing, the stringency of the latter provision was relaxed by the Act of 1872 (35 Vict. c. 7), which limited the holding of specie to 35 per cent. only of the excess issue beyond $9,000,000.

In 1875, by the Act 38 Vict. c. 5, the percentage of specie to be held for the issue between $9,000,000 and $12,000,000 was fixed at 50 per cent., the whole of any excess issue beyond twelve millions to be covered by specie. Lastly, by the Act 43 Vict. c. 13, the maximum issue was raised to $20,000,000, "provided that the Minister of Finance shall always hold, for securing the redemption of such notes issued and outstanding an amount in gold, or in gold and Dominion securities guaranteed by the Government of the United Kingdom,† equal to not less than 25 per cent. of the amount of such notes, at least 15 per cent. of the total amount of such notes being so held in gold; and provided also that the said Minister shall always hold for the redemption of such notes an amount equal to the remaining 75 per cent. of the total amount thereof, in Dominion debentures issued by authority of Parliament." The issue may exceed $20,000,000 by an unlimited amount, provided the whole of such excess is fully covered by a deposit of gold.

Thus 85 per cent. of the normal issue may be purely fiduciary. The denominations of the notes in general circulation are $4, $2, $1, and 25 cents. Besides these the Dominion Government issues notes of the denominations of $50, $100, $500, and $1,000, which are chiefly, if not entirely, held by the banks to make up the 40 per cent. of their reserves required (see *infra*) to be held by them in Dominion notes. To superintend the issue of these notes to banks in exchange for specie, &c., Assistant Receivers General are stationed in Toronto, Montreal, Halifax, St. John N. B., Winnipeg, Victoria B. C., and Charlottetown P. E. I. The regulation of the issue is now governed by Chapter 31 of the Revised Statutes of Canada 1886, which was a consolidation of the Acts then in existence.

The amount of these notes in circulation on 31st December 1891 was as follows:—

	$	c.
Fractionals (25 cent. scrip) - - -	184,807	60
Small notes ($1, $2, and $4) - -	7,058,418	25
Large notes ($50 and upward) - -	8,953,050	00
Provincial notes ($5, $10, and $20) -	10,494	16
Total - -	$ 16,206,770	01

* The Bank of Montreal resumed its issue on the termination of its agreement with the Government.

† *See* Finance Accounts of the United Kingdom for 1890-91, pages 112-3.

Of this total, $10,113,040 was held by the banks as part of their reserves, and $6,093,730 was in general circulation. It will be observed that over 55 per cent. of the total issue consisted of "Large Notes."

Against the issue the Dominion Government held on 31st December 1891 the following :—

		$.	$.
A. Specie.—(I.)	Gold :		
	U. S. Gold - -	3,414,497	
	British Gold - -	117,830	
			3,532,327
(II.)	Silver and Bronze - - -		86,966
	Total Specie - -		3,619,293
B. Securities.—(I.)	Guaranteed sterling Debentures		1,946,667
(II.)	Unguaranteed Debentures -		14,250,000
	Total Securities - -		16,196,667
	Total Specie and Securities - -		$. 19,815,960

These figures show that the nominal value of the securities held was practically identical with the total issue, Guaranteed Debentures being equivalent to 12 per cent., and Unguaranteed Debentures to 88 per cent. The gold held by the Dominion represents nearly 21·8 per cent. of the issue. In other words, behind every dollar in Dominion notes there are 21¾ cents in gold and nearly 100 cents in securities. The amount of Dominion Notes in general circulation ($6,093,730) is equivalent to an average of $1¼ per head of the total population.

(ii.) Bank Notes.*

In 1867, at the time of confederation, there were a number of banks in the several Provinces, working under local charters. For the province of Canada, the general provisions are to be found in Chapter 55 of the Consolidated Statutes of Canada, under which no bank note, of any amount whatever, is allowed to be issued by any person or party, except a Chartered Bank or a banker licensed under that Act. There were in 1870 "no licensed bankers under it (and the power to grant such licenses is repealed by 29 & 30 Vict. c. 10, s. 16), so that there is and can be no bank note in circulation except those of chartered banks." In 1867, during the first session of the Dominion Parliament (to which banking and paper currency had been transferred by the Imperial Act, 30 Vict. c. 3), the several provincial banks were allowed by 31 Vict. c. 11, to carry on business throughout the Dominion, the banks of New Brunswick and Nova Scotia being subjected to a tax on their circulation, similar to that imposed on the banks of Quebec and Ontario by pro-

* Unlike Dominion Notes, no Bank Note is legal tender.

vincial law. In the following year (1868) the Act, 31 Vict. c. 46, was passed (*see* above, page 199) to provide (*i*) for the surrender by the banks of their powers of issue, and (*ii*) for the substitution therefor of Dominion notes. As the banks did not avail themselves of the provisions of the Act, it was repealed in 1870.

In 1871 the important Bank Act, 34 Vict. c. 5 (based on an Act of the previous year) prescribed that no new bank should issue notes of less than $4 each, or to a total exceeding "its unimpaired paid-up capital." Further, "the bank shall always hold as nearly as may be practicable one-half of its cash reserves in Dominion notes, and the proportion of such reserves held in Dominion notes shall never be less than one-third thereof.' This latter provision is important as the beginning of the policy of pushing the circulation of Dominion notes.* As will be seen later, the proportion has been increased and the holding of such notes enforced by penalty. This Act of 1871, as amended and continued, became Chapter 120 of the Revised Statutes of Canada and was the banking law of the Dominion until 1st July 1891. It was made to apply to nearly all existing, as well as to new banks. There were, however, a few banks in Nova Scotia and New Brunswick which were then carrying on business under unexpired local charters; and provision was made whereby they, as well as banks in Prince Edward Island, might avail themselves of the provisions of the Act. The last bank came under the operation of the Act on 1st March 1892.

By the amending Act of 1880 (43 Vict. c. 22):

(i.) Notes outstanding were made a first charge on the assets of the bank (which included the double liability of the shareholders).

(ii.) The lowest denomination of note was raised from $4 to $5.

(iii.) Dominion notes were to be issued up to a maximum of $ 50 in all payments by banks, at the request of the payee.

By the further amending Act of 1883 (46 Vict. c. 20):

(i.) The minimum amount of reserves to be held in Dominion notes was raised from one-third to 40 per cent.;

(ii.) The maximum up to which Dominion notes could be demanded in any one payment was raised from $ 50 to $ 60;

(iii.) A penalty of $ 250† was imposed on banks holding less than 40 per cent. of their reserves in Dominion notes; and

(iv.) Penalties were imposed for excess of circulation, ranging from $ 100 for an excess issue not over $ 20,000, to $ 10,000 for an excess over $ 200,000.

The Bank Acts were consolidated in 1886 by the Act 46 Vict. c. 20. But, four years later, in view of the expiration in 1891 of the charters of all the chartered banks in Canada, with the exception of one local bank in Prince Edward Island, a new and

* The Act abolished the old tax on note circulation so far as regards banks coming under its provisions. The tax on other banks continued until 1872.

† This penalty was increased to $ 500 in 1890 by the Act 53 Vict. c. 31.

more stringent Bank Act (53 Vict. c. 31) was passed, some provisions of which, relating to notes, are as follows:

(i.) The total amount of notes in circulation at any time "shall not exceed the amount of the unimpaired paid-up capital* of the bank" (as under the old law), under penalties ranging from $1,000 for an excess issue not exceeding $20,000 to $100,000 for an excess issue of more than $200,000.

(ii.) The denomination of notes is still fixed at $5 (as a minimum) and at multiples of $5; at the request of the payee, $100 (instead of $60, as heretofore) of any payment by a bank must be made in Dominion notes of $1, $2, or $4.

(iii.) Notes in circulation are to be a first† charge on the assets‡ of the issuing bank in case of insolvency.

(iv.) A "bank circulation redemption fund" of 5 per cent. of the average circulation of each bank is to be lodged with the Minister of Finance for further securing the payment of bank notes, with 6 per cent. interest, in case of stoppage of payment, until finally redeemed. The creation of this fund marks a new departure. The banks really guarantee each other's circulation; as it is to their interest to keep the fund intact, it may be anticipated that they will aid in the speedy redemption of the notes of a suspended bank. The high rate of interest which notes bear between suspension and redemption aims also at preventing notes of a suspended bank from falling below par, and so at obviating the loss and inconvenience from depreciation frequently experienced, especially by the poorer classes, in connection with bank failures in the past. It will be observed that the Government itself does not in any way guarantee the bank's notes; the liability of the Government is confined to accounting for the redemption fund deposited with it.

(v.) Another new feature of the Act is the provision compelling banks to make arrangements to ensure the circulation of their notes at par in every part of the Dominion. Complaint had arisen that in certain cases discount had been charged, in other parts of the Dominion, on notes issued by banks which had no branches or agencies outside the place or province of issue. When this was brought to the attention of the bank managers, they made arrangements, before the passing of the Act, whereby the notes of any chartered bank could be redeemed at par in any part of the Dominion. Such arrangements are now required by

* Except for La Banque du Peuple (the only bank in Canada *en commandite*) and the Bank of British North America (the only bank whose shareholders have only a single liability). The circulation of these two banks is limited to [illegible] per cent. of their unimpaired paid-up capital, with a provision for an issue over that amount to the extent of their unimpaired paid-up capital, upon deposit with the Minister of Finance of an amount in cash or Dominion bonds equal to the excess. The penalties for over-issue by these banks were also increased.

† There had been conflicting decisions as to whether note-holders or the Crown had the prior lien.

‡ Each shareholder is liable for an amount equal to the par value of his shares, in addition to any amount not paid up thereon.

law, and banks have to provide agencies for the redemption of their notes at par at the principal business centres throughout the Dominion.

(vi.) As regards reserves, an important change was made. The provision requiring a bank to hold as nearly as practicable 50 per cent. of its reserves in Dominion notes is swept away, and there remains only the requirement that a minimum of 40 per cent. of whatsoever reserve may be kept, shall be in the form of Dominion notes. But no limit whatsoever is fixed as to the minimum amount of reserves; this is left entirely to the discretion of the banks themselves, contrary to the provision of United States law. Canadian law would be complied with, if specie and Dominion notes were held as a reserve to the amount of (say) $ 10 in all; provided that of such $ 10 at least $ 4 was in Dominion notes.

(vii.) Only chartered banks may issue notes, and such issue must be for circulation and not for the purpose of securing a loan for the bank on security giving priority over other creditors. The issue of notes as mere security for a loan to a bank not only subjects the persons implicated to heavy penalties, but bars recovery of the loan.

The following table gives the totals of bank notes in circulation on 30 June in each year from 1868 onwards:—

Year.	Circulation.	Year.	Circulation.
	$		$
1868	8,874,296	1880	20,186,176
1869	8,939,817	1881	26,102,368
1870	15,833,037	1882	32,229,937
1871	19,616,734	1883	32,211,945
1872	25,355,070	1884	29,654,511
1873	25,273,316	1885	29,692,803
1874	25,583,130	1886	29,200,627
1875	20,901,991	1887	30,438,152
1876	20,288,158	1888	30,444,643
1877	18,265,356	1889	31,209,972
1878	19,351,109	1890	32,059,178
1879	18,090,814	1891	31,379,886

The following table gives the circulation per head of the population in the middle of 1871, 1881, and 1891:—

Year.	Population.	Circulation.	Per Head.
		$	$
1371	3,625,024	19,616,734	5·41
1881	4,324,810	26,102,368	6·04
1891	4,833,665	31,379,886	6·50

On 31st December 1891 the total issue of bank notes amounted to $35,634,129. It remains to be seen how far (in Lord Overstone's phrase) these notes were "the shadow of the gold."

Though the banks collectively held $5,769,313 in cash on 31st December 1891, and though in addition they held $10,113,040 in Dominion notes, and had further deposited $843,075 with the Government "for security of note circulation," yet in strictness none of these items, except the last, are definitely earmarked against the issue; and the notes in circulation were under 18 per cent. of the total liabilities at the close of 1891. Still, as the solvency of the banks is essentially dependent on the floating of their notes, and as practically all payments in respect of deposits withdrawn, &c., are normally made in paper within the Dominion, and as, moreover, the law makes outstanding notes a first charge on the assets of a bank in case of insolvency, the above specie and Dominion notes may be assumed to be hypothecated to the note issue. On this assumption, and on the further assumption that of the $5,769,313 in specie, 95 per cent. (or $5,480,848) is in gold, it results that the total circulation of the banks has a 15·4 per cent. basis of gold. And a further 28·3 per cent. is covered by Dominion notes, which latter have a gold basis of 21·8 per cent., thus giving to the bank notes a further gold basis of 6.1 per cent., or 21·5 per cent. in all.

SUMMARY.

Practically, the circulatory medium of Canada consists of—(i) subsidiary coins, and of (ii) Dominion, and (iii) bank, notes. High banking authorities in Canada regard the circulating stock of gold as "nil." "No one carries gold in his pockets in this country; if there is a small amount carried by travellers it is in American gold. As a rule, Canadians going to the States temporarily get National Bank notes for $5 and $10 each, and silver certificates for $1 and $2 each for travelling expenses."

(i) The total of the subsidiary coins struck for the Dominion is $6,229,110. (The old "provincial" coins and the 20-cent pieces have, to all intents and purposes, disappeared from circulation, and may be disregarded.) Deducting from this total $86,966, held as part of its reserve by the Dominion Government on 31st December 1891, and 5 per cent. ($288,465) of the banks' specie reserves, as the estimated amount of silver and copper held by them on the same date, we arrive at a net total of $5,853,679 in token coins in general circulation, or slightly under $1¼ per head of the total population.

(ii) After deducting the holdings ($10,113,040) of the banks as part of their reserves, the amount of Dominion notes in general circulation is $6,093,730, or $1¼ per head.

(iii) The total amount of the bank notes in circulation on 31st December 1891 was $35,634,129, an uncertain amount of which was included in the item of $9,119,736 "notes of and cheques on other banks." The full total gives an average of 7\frac{1}{3}$ per head.

Every dollar in Dominion notes has 21½ cents of gold behind it; and every dollar in bank notes may be assumed to have 21½ cents. Or, from another point of view, if the total bank issue and the Dominion notes in general circulation be added together, the total "active" paper circulation of the Dominion ($41,727,859) had behind it, on 31st December 1891, a total sum of $9,013,175 in gold in the hands of the banks and the Government, giving nearly 21⅝ cents in gold to every dollar of paper in general circulation.

Thus, the circulating currency of the whole Dominion on 31st December 1891 was as follows:—

	$
I.—Legal Tender:	
Token coins	5,853,679
Dominion notes	6,093,730
Total	$11,947,409
II.—Not Legal Tender:	
Bank notes	35,634,129
Total	$47,581,538

But this total is irrespective of the bank notes held, as above pointed out, by other banks. If the total holding in "notes of and cheques on other banks" be assumed to be equally divided between notes and cheques, then the above total will be reduced to a trifle over $43,000,000. In the latter case the total metallic and paper circulation per head of the population works out, in round figures, at $9 (as against $10 nearly, on the basis of the larger total shown above). Expressed in terms of sterling, the above average of $9 is equivalent to 37 *s.*, whilst the higher average of $10 would be equivalent to slightly over 41 *s.* It will thus be observed that the "active" currency of Canada corresponds in a striking manner to that of the principal Australian Colonies, which is 2 *l.*

NOTE ON EXCHANGES. In 1704 a Proclamation of Queen Anne declared that the Spanish (dollar or) "piece of eight" of that day was worth 4 *s.* 6 *d.* This rate survived the Spanish dollar, and the transition of the United States standard from silver to gold, and lasted down to recent times, as the "New York sterling valuation," or "par of exchange." It was not until 1873 that, feeling the inconvenience of the quotation of United States Bonds at a fictitious discount of about 9¼ per cent. (*see* the 8th Report of the Deputy Master of the Mint), the Legislature of the United States passed the Act of 3rd March 1873, enacting that the par of exchange with the United Kingdom should be based on intrinsic content, *i.e.*, the pound sterling was declared equal to $4·8665 (or $1=49·316 *d.*). This United States Mint-par is not the only basis for calculating in Canada the exchanges with the United Kingdom; there are two other modes of calculation, viz., (i.) "Halifax sterling," and (ii.) "Halifax currency." Under (i.), the dollar is rated at 4 *s.* 6 *d.*, and therefore (100 sovereigns or) $486⅔ equal £.109¼; *i.e.*, in "Halifax sterling" 9¼ per cent. premium is the par of exchange. Under (ii.), the dollar is rated at 5 *s.* (a rating which is one-ninth higher than the above 4 *s.* 6 *d.*), and therefore (100 sovereigns or) $486⅔ equal £. 121⅔ "currency."

AFRICA.

CHAPTER XVI.

SIERRA LEONE.

(1787.)

IN 1791, four years after its cession, the peninsula was handed over to the Sierra Leone Company "for the purpose of establishing a settlement for freed negro slaves." This purpose is symbolized by the device on the reverse of the coins struck in 1791 by the Company, viz., a black hand clasping a white one. The basis of their monetary system was the *Macuta*, "monnaie de compte, ou plutôt une manière de compter en usage parmi les nègres de quelques endroits des côtes d'Afrique, particulièrement à Loango sur la côte d'Angola; chaque macoute vaut 10 et il faut macoutes pour un cent qui est aussi une espèce de monnaie de compte parmi les nègres."* The Company struck a dollar of 100 cents (10 Macutas) and silver pieces of 50, 20, and 10 cents, together with copper coins originally designated "penny pieces," but subsequently "cent pieces." The Company's dollar was equal in gross weight to the Spanish dollar, but was intrinsically about 8 per cent. inferior.† The coinage of the smaller silver coins (Macutas, or 10 cents) continued up to, and including, 1805. It is evident that these coins could not circulate with the Spanish dollar, except with a premium on the latter; probably they served for internal circulation only, and were not issued in any considerable quantity.

In 1807 the Colony was re-transferred to the Imperial Government, and, with growing trade, the dearth of small silver coins made itself felt.

In 1822 a requisition was received for a quantity of copper coins to meet the deficiency of small change. It was at first proposed to send out British pence, half-pence, and farthings; but it was seen that this would create difficulties in connection with the popular 5 *s.* rating of the Spanish dollar—the principal coin in circulation—as compared with the 4 *s.* 8 *d.* rate of issue of that coin to the troops. Though the idea of introducing British silver was mooted, it was not decided on at this date; and consequently it was felt inexpedient to introduce British copper alone. The silver coins in circulation were stated to be dollars, halves, quarters, and eighths.

* Bonneville, *Traité des Monnaies* (Paris, 1806). He states that the provincial money coined by Portugal for Angola was expressed in Macutas, the pieces being of 2, 4, 6, 8, 10, and 12 Macutas. Each Macuta was equal to 50 Reis.

† Bonneville gives the gross weight as 26·239 grammes, the millesimal fineness as 816, and the fine weight as 21·411 grammes. But from the calculations of Eckfeldt and Dubois the gross weight was 408 grains, 834 fine, and therefore the coin contained 340·24 grains fine, or 30·66 grains less than the Spanish dollar according to Kelly's *Cambist* of 1826.

As a centesimal division of the dollar was familiar in the Colony, it was proposed to send out local copper coins of two, one, and half cents, to be legal tender up to one dollar. But this proposal was subsequently dropped.

When British silver was introduced by the Imperial Government into this and other British Colonies in 1825 (*see* page 23), the premium of 3 *l.* charged for Commissariat bills on London (*see* page 25) was felt to be too high; and large quantities of the coins imported by the Commissariat were shipped off, both from Sierra Leone and the Gambia. It was indeed found impossible to retain any British coins in circulation, partly owing to the prevalence here as elsewhere of "cut" Spanish money. From the Council Minutes of 4th January 1831, it appears that dollars were cut nominally into quarters, but practically into *five* parts. The Colony, therefore, obtained from England a stamp (marked "W.R." surmounted by a crown) for the purpose of stamping cut moneys to be legally current. The old cut moneys were called in, and stamped quarter-dollars issued. A Proclamation of 30th March 1832, made such stamped cut-money legal tender to the exclusion of the old unstamped pieces after 1st May 1832. But in 1835 the Lieutenant-Governor wrote that this precaution had failed to stop clipping. The Colony consequently asked either for a supply of the new silver 3 *d.* and 1½ *d.* pieces (with shillings and sixpences), or for "a separate small coinage which may serve generally for the English settlements in the West of Africa." The Treasury at first urged measures for substituting the ordinary British silver coins for the cut-money, but subsequently, in 1836, agreed to issue 1,000 *l.* of the 3 *d.* and 1½ *d.* pieces, and 500 *l.* in pence and halfpence. The smaller silver coins were considered by the Colonial Government "best calculated to benefit the liberated African population," and to stay in the Colony.*

By Proclamation of 6th December 1834 unstamped cut-money (quarter-dollars) was made a legal tender; and the Commissariat in 1835 cut a great quantity of dollars in order to check the export of these coins by the merchants. As by wear and clipping "cut quarters" were deficient as compared with the "round dollar," it grew a common practice to reject the lighter pieces, and considerable inconvenience was thereby caused. The merchants' memorial of 6th June 1838 urged that "dollars were cut by the Colonial Government into quarters and halves upwards of twenty-five years back," and complained that these cut moneys were now refused by the Commissariat and the public departments.

The inconvenience of the rejection of cut money led to its being called in. 83,076 "cut quarters" were shipped home to be sold as bullion for the purchase of British silver to be sent out to the Colony. They realised 4,205 *l.* 18 *s.*, which sum, with a temporary Imperial loan, was employed in shipping 9,000 *l.* in British silver coins to the Colony (2,500 *l.* in shillings, 2,500 *l.* in sixpences, 2,000 *l.* in threepenny-pieces, and 2,000 *l.* in three-halfpenny-pieces). On receipt of this supply of British coin

* Experience showed that they were unpopular alike with merchants and liberated Africans, and poured back on the Colonial Government.

he Governor proclaimed, on 7th January 1839, that from and after he 12th of that month "all cut monies or cut parts of dollars will cease to be a current coin of this Colony." On 31st January 1839 he reported that 6,255 *l.* 3 *s.* 6 *d.* had been paid away in exchange for the decried cut-money.

On 19th February 1839 the Commissariat speaks of doubloons and dollars as the ordinary currency, but mentions that "a number of Brazilian pieces of 960 reis each" * had been paid in at the dollar rate, at which they were popularly accepted. The Royal Mint found the average to be 414·6 grains, containing 372·25 grains fine, or 1·35 grains more than the fine content of the Spanish dollar, according to Kelly's *Cambist* in 1826.

The remedial legislation of 1838 for the West Indies (*see* page 27) was extended to the West Coast of Africa by two Orders in Council of 10th June 1843, the first of which revoked the 1825 Order "so far as respects Her Majesty's colonies and possessions at Sierra Leone, the River Gambia, Cape Coast, and elsewhere on the western coast of the continent of Africa"; whilst the second Order in Council and proclamation laid down the following rates for the concurrent circulation of foreign coins with sterling:—

	£.	*s.*	*d.*
Doubloon of Spain, Mexico, or the States of South America	3	4	–
20-franc piece	–	15	10
Dollar of Spain, Mexico, &c.	–	4	2
5-franc piece	–	3	10½

Any tender of payment in the said coins "shall be deemed and taken to be a lawful tender, in the same manner as if such tender had been made in the current coin of the United Kingdom."

The standard currency of Sierra Leone was now sterling with foreign gold and silver coins rated for concurrent circulation, but without a limit of tender on silver coins, whether British or foreign. The result was that gold was (practically) never seen in circulation, and trade introduced a large proportion of French 5-franc pieces.

By Order in Council and Proclamation of 30th June 1852 legal currency was given to the gold coins of the United States on the West Coast of Africa, as follows:—

	s.	*d.*	
Eagle	41	–	sterling.
½ „	20	6	„
¼ „	10	3	„

But as the sovereign and doubloon were already unable to hold their ground in competition with silver, the United States eagle, which was undervalued by 1·16 *d.* relatively to the sovereign, never obtained a footing in the Colony. Similarly the local Proclamations of 12th January 1867 and 1st August 1871,

* This appears to be a double Crusado Novo. But for the specific mention of 960 Reis, the coin would naturally be supposed to be a clipped coroa de prata of 1,000 Reis, introduced in 1835.

which legalised the currency in this Colony of the gold coins of the Sydney Mint,* were powerless to bring those coins into circulation.

In 1879, as the result of the depreciation of the gold price of silver in the previous years, the silver dollar began to give trouble on the West Coast of Africa, as in the West Indies. The legal currency of the dollar in Sierra Leone at 4 *s.* 2 *d.* sterling, when it was barely worth 3 *s.* 8 *d.*, naturally induced merchants and speculators to import the coin, and early in 1880 steps were necessary to prevent the Colony from passing to a silver standard and measure of value. At this date it was stated (1) that English coin was rarely seen, and (2) that almost the whole of the coins in circulation consisted of 5-franc pieces or dollars, the latter coin being poured into the Colony by every steamer that arrived. By Ordinance No. 2 of 1880 it was enacted that the dollar should cease to be a legal tender in the Settlement, but that for three days (subsequently increased by Government Notice to 13) the Colonial Government should receive the demonetised coin at its old rating of 4 *s.* 2 *d.* The total nominal value of the coins so received was about 26,000 *l.*

By 1880, the original dislike of the natives to bronze coins had disappeared, and there was no difficulty in keeping such coin in circulation. The field was now left to 5-franc pieces,† and to British silver and bronze tokens. There is no paper currency.

In 1882 the amount of 5-franc pieces in circulation was estimated at 20,000 *l.*, whilst the amount of sterling coin (largely hoarded, and not actually in circulation) was put at over 30,000 *l.*

* *See* page 29.

† Belgian, Italian, and Swiss 5-franc pieces were made legal tender equally with the French coin by Order in Council, &c., of 28th November 1874, published locally on 5th January 1875.

CHAPTER XVII.

THE GOLD COAST.*

(1667.)

THOUGH part of the present Colony of the Gold Coast was in the occupation of the Royal African Company from 1667, and of the African Company of Merchants from 1750, yet its currency history cannot be traced with any approach to certainty prior to 1821, when it was merged in the general government of the West African Settlements. Nominally the system of currency in force between 1821 and 1874 (the year in which the Gold Coast, including Lagos, was constituted a separate Colony) was therefore that of Sierra Leone, under which Colony will be found details of the several enactments regulating the currency of the West African Settlements prior to 1874.

On 5th August 1875, the Governor of the now distinct Colony of the Gold Coast issued a Proclamation which, after reciting the Royal Proclamations of 10th June 1843 (rating the doubloon at 64 *s.*, the French 20-franc piece at 15 *s.* 10 *d.*, the silver dollar at 4 *s.* 2*d.*, and the French 5-franc piece at 3 *s.* 10½ *d.*), the Royal Proclamation of 30th June 1852 (rating the U.S. eagle at 41 *s.* and the U.S. gold dollar at 4 *s.* 1 *d.*), went on to state that "whereas the said recited Proclamations have been duly promulgated, and have taken effect and come into force in Her Majesty's said Colonies and possessions, inclusive of the Settlements on the Gold Coast and the Settlement of Lagos, but it is expedient that the same should be republished and again promulgated for the better information of all whom it may concern, Now, therefore, be it known that Her Majesty's hereinabove recited Proclamations are and shall be in full force throughout the Gold Coast Colony and the dependencies thereof."

Whilst, however, there was by law uniformity of currency in Sierra Leone and the Gold Coast, there was in practice a marked difference, arising out of the prevalence of uncoined gold in the latter Colony and its customary use as money by weight. The general rate at which rock gold and gold dust passed current was 3 *l.* 12 *s.* per ounce, the ounce being subdivided into sixteen "ackies" (4 *s.* 6 *d.* each), and each ackie into six "takus" (9 *d.* each).† Other weights were the "benda" (two ounces), the "periquin" (two and a-half ounces, or 9 *l.*). Side

* I am indebted for information respecting this Colony to Mr. W. W. Hull the Assistant Colonial Secretary.

† The above rates, which are taken from an official source, do not tally with the statements in the glossary to Bowditch's "Mission to Ashanti," which make the price of gold 4*l.* per ounce (*i.e.*, 5 *s.* per "ackie" or 10 *d.* per "taku"), and give the "benda" as two ounces four ackies (9 *l.*) and the "periquin" at two ounces eight ackies (10 *l.*).

It is interesting to note that the minimum weight, the "taku," is the name of a seed, recalling the British "grain" and the Indian seed-unit of weight the "rati."

by side with the currency of gold dust, a system of denominational currency was in vogue in the Colony up to as late as 1870 at least. "A commercial nominal currency exists (wrote the Governor in 1870) by which, for general trade purposes, the dollar* is still computed at 4 *s.* 6 *d.*, and consequently eagles† and doubloons, which contain a fixed number of dollars, are also on these occasions paid and received at the proportionate currency, or imaginary, value." (But the 4 *s.* 6 *d.* rating did not obtain at the Colonial Treasury, where the legal ratings were observed.) It seems probable that this 4 *s.* 6 *d.* rating was introduced from the United States, where Sir Isaac Newton's sterling valuation of the piece of eight (or Spanish dollar) survived up to a few years ago (*see* p. 206, *note*). Under this system an ounce of gold dust passed as the equivalent of a doubloon, a very profitable mode of reckoning, seeing that the doubloon was only worth 64 *s.*, whilst an ounce of (standard) gold is worth 3 *l.* 17 *s.* 10½ *d.*

It was further stated in 1870 that at that date cowries‡ were very little used, except in the eastern districts, and no further imports of cowries were being made. The "head of cowries" in 1870 fluctuated from 1 *s.* 6 *d.* to 2 *s.* 3 *d.*, but was most frequently at the former price. A few Dutch silver coins (*see infra*) were in occasional circulation; but they were very few in number and their value was uncertain, as the Fantees objected to them. With regard to sterling silver coins, it was stated that the natives refused all but unworn coins, and utterly declined to take pre-Victorian silver, on the ground that with the death of the issuing monarch the coin became valueless. This latter prejudice, it may be added, continues to the present day.

In connection with the cession of the Dutch Settlements a certain amount of complexity was introduced into the currency of the Gold Coast. Prior to 1846 the Dutch Government had been in the habit of paying all salaries, &c., in goods; but in 1846, as the result of complaints, it was decided to make such payments in gold dust, the accepted medium of circulation. But, side by side with gold dust, there flowed into circulation after 1870 Dutch silver coins of 2½-florins or guilders, and subdivisions of this coin. As this coin apparently passed as a dollar, the Governor of 1872 ordered it to be received as 4 *s.* 2 *d.* "to prevent inconvenience to the traders at Elmina." But in the next year the rating was reduced to 4 *s.*, or only 1½ *d.* over its sterling equivalent at the time (cf. the 5-franc piece in the Gambia). As the subdivisions of the Dutch 2½-guilder piece were of inferior alloy, the falling gold-price of silver led shortly before 1880 to large experimental shipments of these coins into the Colony;

* From other evidence it appears that only United States dollars were rated at 4 *s.* 6 *d.*, and that it was the silver dollar of the United States which was most common at this date. Other silver dollars were rated at 4 *s.* only.

† U.S. gold, it was stated in 1870, was seldom seen in circulation; but there was a fair supply of Spanish gold coins, called five-dollar pieces, and rated at 20 *s.* 6 *d.*

‡ In 1859 Governor Bird stated that 16,000 cowries were worth a sovereign. £. 2,568 in cowries brought from 60 miles up-country cost 125 *l.* for carriage and counting, 80 men being employed for the job and the whole day being spent by this number of men in counting the cowries.

"unprincipled persons import them from Holland to the loss of the Colonial Government and to the benefit of themselves." And the same fall in the gold-price of silver introduced a considerable number of Mexican dollars. In order to meet this new evil the Colony passed on 29th April 1880, the "Demonetisation Ordinance," No. 2 of 1880, which restricted the currency to the following :—

(i.) All gold and silver British sterling.

	£.	s.	d.
(ii.) Spanish and South American doubloons* at	3	4	–
(Halves in proportion.)			
American Double Eagles - - „	4	2	–
„ Eagles - - - - „	2	1	–
(Halves and quarters in proportion.)			
French 20-franc piece - - - „	–	15	10
(iii.) Gold dust and nuggets, at per oz. - -	3	12	–

It will be observed that this Ordinance not only demonetised the dollar, Dutch silver, and the 5-franc piece of France, but also excluded British bronze coins from legal tender. But this exclusion was of no practical importance, as the natives have steadily refused copper and bronze money. Also, no standard weight and fineness are stated for the doubloon, thus rendering it possible to pass legally for 3 *l.* 4 *s.* "Tree," "Sun," and Argentine doubloons ranging in sterling value from 3 *l.* to 2 *l.* 16 *s.* But no advantage seems to have been taken of this shortcoming in the Ordinance, doubloons having practically ceased to circulate on the Gold Coast.

As regards the working of the Demonetisation Ordinance, 1880, it is to be observed that, under section 3, "during a period of ten days subsequent to the promulgation of this Ordinance . . . all coins hitherto current and received in this Colony will be received at the Colonial Treasury of this Colony at their present current value." But this provision was interpreted by the Governor to mean, not that the demonetised coins were to be freely exchangeable at the Colonial Treasury, but only that during the limited days of grace, duties, &c., might be paid in such coins. Thus the loss attendant on the demonetisation fell on the "last holder." But it appears that in the present Colony of the Gold Coast (excluding Lagos) there were comparatively few dollars or Dutch coins which did not find their way into the Colonial Treasury before the expiration of the days of grace. The net result was to substitute sterling silver coins for the Dutch and other silver.

In connection with the legal tender of gold dust, the Colonial Government employed "gold-takers" to weigh and assay the gold dust tendered in payment at the Colonial Treasury. But from 1883 onwards the export of gold dust fell more and more into the hands of the local merchants, till in 1888 the Govern-

* It will be observed that Mexican doubloons are excluded. These coins have never been so popular on the West Coast as the old Spanish doubloons, which used to pass for $16, whilst Mexican doubloons were taken at $15.

ment shipments were only some 1,565 *l.*, or 2 per cent. of the trade shipments. In fact, gold dust was now worth more than 72 *s.* per ounce, the price at which it passed current by law, and by Gresham's law was driven from circulation. In these circumstances, and with the knowledge that a practice was growing up of adulterating trade gold-dust, the Colonial Government proceeded to purge their currency by passing on 12th April 1889 Ordnance No. 9 "to demonetise gold dust and nuggets."

With regard to the export of gold dust, the following figures show the total exports from the Colony for the eight years to 31st December 1890, coin being included with gold-dust in the two last years:—

	£.		£.		£.
1883 -	57,501	1886 -	74,877	1889 -	103,200
1884 -	78,696	1887 -	81,168	1890 -	91,657
1885 -	89,981	1888 -	86,510		

At the present day cowries are in use among natives alone, and for petty transactions only; the coin in circulation is practically confined to sterling, though a few United States silver half-dollars (brought by American vessels) pass current at 2 *s.* (the rate prescribed in 1864 for this coin in the Bahamas). There is at present a native prejudice against the German silver which is appearing in the eastern part of the protectorate. British gold is in circulation on the coast only; in the interior, and among the natives everywhere, only British silver coins pass current. The natives object to crowns and double-florins, preferring florins, shillings, sixpences, and threepenny-pieces; when the Jubilee coinage was issued, they refused to accept it until a Government notice was issued to the chiefs. Gold is declined by the natives except at a discount, and copper is not seen.*

It is difficult to estimate the amount of coin in the country, as the natives are in the habit of hoarding. But perhaps the circulating stock on 31st December 1891 may be put at a total of 100,000 *l.*

There is no paper currency.

* In the petty transactions of everyday life the threepenny-bit is the smallest coin used, though prices range down to pence and halfpence. As 3 *d.* will buy (*e.g.*) a large supply of fruit, the custom is to pay down a threepenny-bit for a penny worth of fruit, and to take the change in further supplies on subsequent days.

A nickel coinage, like that of Jamaica, might possibly prove a convenience.

CHAPTER XVIII.

LAGOS.

(1861.)

THE legislative history of currency in Lagos will be found under the head (i.) of Sierra Leone, and (ii.) of the Gold Coast Colony, Lagos having formed part of the united government of the West Africa Settlements from 1866 to 1874, and of the Gold Coast Colony from 1874 to 1886. The Gold Coast Proclamation of 5th August 1875 (*see* page 212) was expressly applied to Lagos, and formally made current in this Colony the silver dollar at 4 *s.* 2 *d.*, the French 5-franc piece at 3 *s.* 10½ *d.*, the doubloon at 64 *s.*, the French napoleon at 15 *s.* 10 *d.*, and the United States eagle at 41*s.*, in addition to current sterling coins.* But though this Proclamation served its immediate purpose of removing all doubts as to what was legal tender in Lagos, it is dubious whether it was really necessary, seeing that the Order in Council and Proclamation of 10th June 1843 laying down the above currency, was made applicable to "Her Majesty's colonies and possessions in Sierra Leone, the River Gambia, Cape Coast, *or elsewhere on the western coast of the continent of Africa*, and their dependencies." The Gold Coast Proclamation of 1875 was therefore in the nature of a re-enactment of the legislation of 1843.

In 1879, owing to the fall in the gold-price of silver in the London market, large shipments of dollars were made to Lagos (chiefly by a Hamburg firm), and put in circulation at a profit of over 10 per cent. On 31st July the Government balance of 10,920 *l.* consisted of dollars to the amount of 9,200 *l.*, mainly Mexican, but also Peruvian, Chilian, and Brazilian. On 13th May 1880, 14,548 *l.* out of a total balance of 15,398 *l.* was in dollars. And it appears from a memorial to the Governor, of May 1880, that dollars formed an equally large proportion both of the money in circulation and of private hoards. It was at this juncture that the Gold Coast Ordinance No. 2 of 1880 was brought into local operation by Notice of 11th May 1880, all foreign silver coins being demonetised on and after 21st May.†

* A local Ordinance, passed on 5th August 1862, had made the Dutch 2½ guilder piece legal tender at the rate of 4 *s.* sterling. This Ordinance was held, however, to be invalid, like all other Ordinances of 1862, in consequence of the invalid constitution of the legislature in that year; and in the Order in Council of 9th January 1863 foreign silver coins were not rated as legal tender, the idea being that British silver coins would best serve for the smaller pecuniary transactions of the Colony.

† The total number of dollars shipped to England by the Colonial Government was 78,936, representing 16,441 *l.* at 4 *s.* 2 *d.* each.

Up to this date the coins still remained a legal tender generally, and were payable to the Colonial Government for duties, &c. But, after 21st May 1880, no provision whatsoever was made for exchanging at their old ratings the dollars in general circulation. Severe and unjustifiable hardship was consequently entailed upon the community, and not least upon its poorer classes. To quote an official report of the time :—"The effect produced on the public mind by the law is as if a violent and destructive political and financial hurricane had passed over the Settlement. The general feeling is very bitter; for the people have been touched where they feel most keenly."

The effects of the demonetisation of 1880 were the more severely felt, in that there was at first a wholly inadequate stock of sterling coin on hand to take the place of the dollar. But on 9th June 1880 5,000 *l.* was received from Accra, and at the end of July 10,000 *l.* arrived from England for the Colonial Government. The merchants imported some 4,000 *l.* more in coin, in addition to about 2,300 *l.* in Bank of England notes. In the middle of October, however, it was reported that there was still "a fair amount of trade done in dollars, as firms receive them at 3 *s.* 6 *d.* against accounts, and 3 *s.* 4 *d.* against goods;" but there was no scarcity of British coin in the Colony. In the course of the next few years the silver dollar disappeared from circulation.

As the 5-franc piece has never enjoyed the same vogue here as (*e.g.*) in the Gambia, the silver coins current in Lagos are now exclusively those of Great Britain. Among the natives, crowns, half-crowns, and double-florins are unpopular as compared with other British silver; and in the interior (*cf.* the Gold Coast), pre-Victorian coins are refused in the belief that, on the demise of the Crown, the coins of the reign cease *ipso facto* to have legal currency.

Bronze coins are current, but at a discount of 10 per cent. as compared with silver coins of an equal nominal value. For instance, three bronze pennies will only exchange for 22½ strings of cowries, whereas a silver threepenny-bit will command 25 strings.

Cowries are in general use as currency at 6 *d.* per "head" of 2,000 cowries. Within the colony they are used in procuring articles of less value than the silver unit (3 *d.*); in the interior they still form the recognised currency, though silver is preferred.

As regards gold, sterling coins do not monopolise the currency, as in the case of silver. Legally, doubloons and gold-dust are legal tender, but gold-dust is no longer current, and the few doubloons which find their way into the Colony are not readily received in payment, and gravitate to the Colonial Treasury, where they tend to remain. Consequently it is in contemplation to demonetise these coins, as well as raw gold. The gold currency would then consist, in law as in practice, of British, United States, and French gold coins. Amongst the uneducated natives, especially out of Lagos itself, gold coins are not popular. Suspicion was aroused some years ago by an importation of

spurious sovereigns and half-sovereigns; and, moreover, the native preference is for silver.

The practice of hoarding* makes it difficult to estimate with accuracy the amount of coin in circulation. The prevalence of this practice was demonstrated in the middle of 1892 by the fact that, owing to the stoppage of the roads interfering with the native commerce, natives from the interior bought goods in Lagos for cash, instead of by exchange of commodities; it is believed that the coins then brought down into Lagos had been buried for years. So in India during the famine years the increased export of gold has been traced to the forced breaking up of hoards. It is, moreover, an ascertained fact that about 20,000 *l.* a year in British silver is annually absorbed by, and through Lagos, finding a circulation, though not in large quantities, amongst an estimated population of at least 2,000,000, in addition to 32,500 in the island of Lagos.

Subject to the foregoing remarks, the total amount of coin in circulation in the Colony has been estimated at 120,000 *l.* the proportion of silver to gold being 10 to 1.

There is no paper currency in Lagos, but the African Banking Corporation, which has recently been founded, has proposed to issue 1 *l.* and 5 *l.* notes in the Colony.

* Compare Sierra Leone, &c., and the negro practice in the West Indies *e.g.*, Jamaica.

CHAPTER XIX.

Gambia.

(1807.)

The Gambia, being associated with Sierra Leone from 1807 to 1843, had the same currency history in the early years of the century, the only distinguishing feature being the number of 5-franc pieces which flowed into the Gambia from the neighbouring French Settlements. It is the prevalence of these coins which has uniformly characterised the currency of this colony up to the present day.

The Imperial legislation of 1825 (*see* page 23), which aimed at the general introduction of British silver and copper coins into circulation throughout the colonies, was marred by the rating which it laid down of 4 *s.* 4 *d.* for the Spanish or Mexican dollar for concurrent circulation with sterling, the dollar being at that time worth only about 4 *s.* 2 *d.* sterling. Consequently, here, as elsewhere, British coins were introduced by the commissariat, only to be profitably re-exported to England again by the local merchants. And as the supply of dollars fell off, owing to the revolt of the Spanish colonies in the New World, an inconvenient scarcity of coin was experienced in the Gambia as elsewhere, which led to the device of cutting dollars into four parts with a view both to keep the silver in the country and to provide a small change.

"The currency of the place," says a memorial to Lord Glenelg, of 26th July 1838, "is on a very unsatisfactory footing. The Spanish dollars are all cut up by the commissary before they are issued. This opens a door to the fraudulent clipping of this 'cut money,' as it is called; and to such an extent has this been carried that the general currency of the place may now be considered to be depreciated at least 40 per cent. Each of these cut pieces passes for a quarter-dollar; some of them are worth little more than half that sum. In addition to the Spanish dollar, the French 5-franc pieces are cut up in imitation of the others, by which the evil is increased." So, too, at the same date, the governor thought these quarter-pieces, though rated at 1 *s.* 1 *d.*, to be worth intrinsically only about 9 *d.* When Sierra Leone demonetised its cut-money, the amount outstanding on 12th January 1839 flowed into the Gambia in such volume that the merchants refused to accept it. The governor proposed, and the Home Government agreed, to follow the example of Sierra Leone, and decry the cut-money in the Gambia also.

The legislative history of currency after 1840 is identical with that of Sierra Leone. The Order in Council of 10th June 1843 (rating the dollar at 4 *s.* 2 *d.*, the doubloon at 64 *s.*, the gold

20-franc piece at 15 *s.* 10 *d.*, and the 5-franc piece at 3 *s.* 10½ *d.*), the Order in Council of 30th June 1852 (rating the eagle at 41 *s.*, and the gold dollar of the United States at 4 *s.* 1 *d.*), and the Order in Council of 28th November 1874 (giving currency to Belgian, Swiss, and Italian 5-franc pieces at 3 *s.* 10½ *d.*), were all brought into operation in the Gambia.* In 1871, † the new Sydney sovereign was made legally current; and in 1880, by Local Ordinance No. 2 of that year, the silver dollar was demonetised in this colony. But so few were the dollars in circulation that only 695 of these coins were exchanged.

The demonetisation of the dollar led to a discussion in 1880 as to the policy of demonetising the 5-franc piece. It then appeared that this coin formed 85 per cent. of the total circulation of the colony (then between 20,000 *l.* and 30,000 *l.*), a fact which explained the small number of the dollars current, and was itself explained by the further fact then brought to light, viz., that the 5-franc piece passed current at the time at the convenient, though illegal, rate of 4 *s.*, except in payments to the Colonial Government. And of the remaining 15 per cent., which was practically all British, practically no part was in gold or copper.

The result of the discussion of 1880 was that, whilst the English merchants thought that little or no inconvenience would result from the suggested demonetisation, the French merchants held a diametrically opposite opinion, urging that if the people from the neighbouring French Settlements learned that their only coin, the 5-franc piece, was demonetised in the Gambia, they would cease to come to Bathurst for goods. The Legislative Council were of opinion that it was practically immaterial whether the coin was demonetised or not. In these circumstances, and in view of the fact that four-fifths of the exports from the colony went to France, it was not judged expedient to take any action, at least so long as the Latin Union continued to limit the issue of 5-franc pieces.

Up to 1890 the system of trading was mainly by barter in the Gambia. It was only in 1891 that the system of purchasing produce for cash was introduced.

Of the currency, the amount of which it is impossible to give, about 80 per cent. was estimated to be in 5-franc pieces, and the remainder in British tokens, mainly florins, shillings, and smaller silver coins. There is no difficulty in getting the natives in Bathurst to take bronze coins; but up-country bronze is little known. There are no foreign copper coins in circulation. Cowries are not used now except as ornaments, a use to which a considerable quantity of British silver is also applied by the natives. There is no paper currency.

* The dates of the local Proclamations were, respectively, 30th September 1843; 13th November 1852; and 5th January 1875.

† The local Proclamation was dated 22nd June 1871.

CHAPTER XX.

St. Helena.*

(1651.)

From the earliest times the accounts of the East India Company, and all payments to troops and civil servants, were expressed in sterling. But it is not to be inferred from this that sterling coins circulated in the Island. All evidence goes to show that, at least in the seventeenth century, the common coin in circulation was the dominant coin of the day, the "Piece of Eight" (or Spanish Dollar), current at 6 *s.* At the close of 1673 the equivalent of 400 *l.* was shipped from London in "Pieces of Eight and copper money"; fines for non-attendance at the council were expressed in dollars ("Absence ½ dollar, second time 1 dollar, third time 1½ dollars"); in 1679 other penalties were similarly imposed in dollars (4 dollars "for picking lemons," and 2 dollars for throwing rocks into the valleys); and in 1707 6 dollars was the fine by payment of which Mrs. Clavering escaped being "duckt in the sea at the crane for scandalizing the whole Island."

In 1683 two "setts" of figures (1 to 10) engraved in iron, were shipped to the island for the purpose of stamping copper bars for currency at a penny per ounce. Obstacles having been thrown in the way of the circulation of the stamped copper, it was ordered in 1687 that not more than half of any debt should be payable in such currency, the remainder to be paid in coined money.

No direct evidence is forthcoming in respect of the 17th century to show the rating fixed in St. Helena for the Piece of Eight or Dollar. But in March 1708 it was ordered that "crowns and Spanish pieces of eight" should pass thenceforth at 5 *s.* instead of 6 *s.* each, but "may be paid into store for old debts at 6 *s.*" As the piece of eight in the 17th and early part of the 18th centuries was uniformly regarded as being worth 4 *s.* 6 *d.* sterling, the old rating at 6 *s.* prior to 1708 is sufficient explanation in itself of the prevalence of this coin in St. Helena. But the reduction of that rate suddenly to 5 *s.* produced a most disastrous effect upon the Island currency. As early as November 1708 it was reported that "cash is all gone from the Island; in selling 800 *l.* worth of stores only 7 dollars was received in ready money." The explanation given in 1716 is that dollars

* For information concerning the ancient currency of the Island I am indebted to the researches of Lieut. Col. Maclean, (late) R.A.

"being worth 20 per cent. more than 5 *s.* in Madras, could not be kept in the Island." The colony was now in considerable straits for a circulatory medium. In 1713 the Island asked for "one whole ton of the Chinese money called Petiese," which "would be of advantage here," as the equivalent of farthings; or if they passed at "six for a penny, there would be a profit of 100 per cent."; or, suggested the Island authorities, copper farthings might be sent out, to pass as halfpence, and halfpence to pass as pence, "as in some parts of the West Indies." It appears that pice sent out from Madras were "not so acceptable to our people because of their bad shape; and yet three of them are worth a penny, which makes them too weighty to be commonly carried in the slight pockets here." Accordingly, in 1715 a request was made again for English halfpence and farthings, and apparently with some success. For, in 1716, there was a proposal to punch a small hole in dollars and copper farthings, in order to keep the coin in the Island. A paper currency was introduced early in the 18th century, consisting of "bank bills" or "cash notes."* Out of the whole Government balance of 700 *l.* in January 1717, 400 *l.* was in these bills, the remainder being made up of 100 *l.* in "bits" (presumably Spanish reals,† as in the West Indies), 100 *l.* in fanams,‡ and 100 *l.* in copper pice.

The Government balance of July 1740 indicates a great improvement in the circulatory medium of the Island. The following are the items:—

	£.	*s.*	*d.*
Cash notes	300	–	–
Pagodas,§ 6,413 at 9 *s.*	2,885	17	–
Dollars, 1,140 at 5 *s.*	285	–	–
Venetians,‖ 1,234 at 10 *s.*	617	–	–
Rupees, 1,525 at 2 *s.* 3 *d.*	171	11	3
Ducatoons, 146 at 6 *s.*	43	16	–
Small money	–	4	10
Total	£. 4,303	9	1

In 1742 mention is also made of "moriscoes," "half St. Thomas," and "gold gubbers," all rated at 6 *s.* each, of "gold

* The denominations are given as 40 *s.*, 20 *s.*, 5 *s.*, and 2 *s.* 6 *d.* in 1750.

† In 1750 "rials" are valued at 7½ *d.*; "double ryals" and "half rials" were also mentioned at the same date.

‡ In 1742 "phenams" were valued at 3 *d.*

§ *See* under India for an account of this standard gold coin of Madras. It is not clear to what type the 1,525 rupees, mentioned lower down in this table, should be referred; but it may be conjectured they were rupees of Madras.

‖ *i.e.* the Venetian sequin, or "chickeen," whence the Anglo-Indian term "chick."

rupees" at 30*s.*, and of "Dudoes" at 1*s.* 2*d.** In 1750 "French pieces" are also specified, with a rating of 2*d.* These latter coins suggest the "Sous marqués," familiar in Mauritius, but may be of Pondichery coinage (Zay, p. 274).

In 1750 the balance in the Island Treasury is shown in pieces of gold (bullion), venetians, gold rupees, pagodas, dollars, ryals, and "French pieces," in addition to cash notes. In 1760 the balance is shown in the same coins, except gold rupees and ryals, which do not appear. No alteration in ratings of the above coins can be traced during the remainder of the 18th century; the treasury balances being shown subsequently to 1770 simply as "specie" and "cash notes." It will, however, have been noticed that St. Helena, lying as it did "in the direct track of vessels homeward-bound from the east round the Cape of Good Hope," and forming a favourite sanatorium for Anglo-Indians, had begun at least as early as 1740 to form part of a "currency area," which the geographical position of the Island would at first sight seem to preclude, viz., the Indian currency area. And the coins which flowed into St. Helena were mainly the gold coins (pagodas and Venetian sequins) current in Madras, and in Madras (as elsewhere in silver-using India) under-valued as measured by silver. It will be seen that, apart from the introduction of French coins during the imprisonment of Napoleon upon the Island, Indian coins, and especially the pagoda, continued to dominate the currency of St. Helena up to 1843.

In 1819, the following coins were legally current at the undermentioned rates:—

	£. *s.* *d.*		*s.* *d.*
Doubloon	3 13 6	Ducatoon	5 7
Mohur	1 12 8	Spanish dollar	4 8
Napoleon	– 16 10	German crown	4 8
Venetian	– 9 2	French „	4 2
Star pagoda	– 7 6	Sicca rupee	2 1
Porto Novo	– 6 3		

But, to prevent exportation, the same coins were received by the local Treasury, in payments for stores, &c., at some 7 per cent. above their legal rates of issue. Needless to say this expensive plan failed. In 1819 no less a sum than 50,000 *l.* in dollars had to be imported into the Island by the Company.

In 1821, the Company struck a copper halfpenny for the Island, and would appear to have contemplated a silver coinage subsequently; patterns of a half-crown of 1823, and of a shilling of 1833 being known. The want of small coin was shown by the practice of counting all small copper coins (even farthings, &c.) as a halfpenny, the St. Helena minimum.

* The rating does not accord with Zay's definition (p. 273):—"*doudou*, dénomination populaire de la pièce de 4 caches," which was of copper.

The following rates were fixed by the Governor and Council on the 1st November 1823 :—

	£. s. d.		£. s. d.
*Spanish and Austrian† dollars	– 4 6	Bengal sicca rupees	– 2 –
Doubloons	3 10 6	Bombay and all other rupees	– 1 10
Joes (Portuguese)	1 15 3	Ducatoons	– 5 4
Bengal mohurs (having the star)	1 11 6	British 3*s.* tokens	– 2 8
Bombay and all other mohurs	1 8 –	Johannes 4*s.* pieces	– 3 9
Moidores	1 2 6	Dutch and Ceylon guilders and rix dollars.	– 1 6
Louis d'ors and Napoleons	– 16 2	Colonial pieces ‡	– 2 3
Venetians	– 9 –	All 10*d.* pieces	– – 9
Star Pagoda	– 7 2	Old English and all other shillings	– – 9
Porto Novo, ditto	– 5 9	Ditto ditto sixpences	– – 4
American dollars, German and French crowns.	– 4 –		

The "St. Helena Calendar" for 1829 observes that "No alteration has been made in the value of British coins. They therefore remain as fixed by the (Imperial) Legislature," *i.e.*, were current at their full value. "Sovereigns, however, from the circumstances of St. Helena being so great a resort of homeward-bound shipping, generally command a premium."

On 25th March 1830 the rating of the Spanish dollar was further reduced to 4 *s.* 2 *d.*, and that of the doubloon to 64 *s.*, the actual sterling values at the time. The following ratings were subsequently fixed by the Governor and Council on the 8th April 1830 :—

GOLD.		SILVER.	
	£. s. d.		s. d.
Doubloons	3 4 –	Ducatoons	5 2
Joes	1 12 –	3-guilder pieces	4 6
Bengal mohurs (having the star).	1 12 –	Dollars, Spanish, and Austrian	4 2
Other mohurs	1 9 –	Dollars, United States	3 10
Moidores	1 5 –	5-franc pieces	3 10
Napoleons and Louis d'or	– 15 –	Half star-pagodas	3 6
10-guilder pieces	– 15 –	Colonial pieces (English coined).	2 3
Venetians	– 9 –	Sicca rupees (star)	2 –
Star pagodas	– 7 –	Other rupees	1 10
Porto Novo pagodas	– 5 4	Dutch guilders	1 6
		2-franc pieces	1 10

* The rating adopted was that assigned in 1704 to the earlier "Piece of Eight" by Sir Isaac Newton (*see* page 14).

† *i.e.* The Maria Theresa dollar, still popular in Abyssinia and elsewhere in Africa.

‡ *i.e.* The "Anchor" half-dollar coined in 1822 for the Mauritius (*see* page 21).

Such was the lawful currency when the Island was transferred to the Imperial Government in 1834 under the Act of Parliament of the preceding year. The currency was nominally sterling, with foreign coins concurrently rated.* But sterling coins were very rare, and sovereigns commanded a premium from travellers homeward-bound.

As the (correct) Island rating of the dollar at 4 *s.* 2 *d.* clashed with the (incorrect) Imperial 4 *s.* 4 *d.* rating, and as other ratings were also at variance with existing Treasury Regulations for the pay of troops, &c., directions were given by the Secretary of State on the 17th October 1835, that "all receipts and payments on behalf of the Government should be made in British currency or in foreign coins at the regulated army rates." This led to the following retrograde proclamation by the Governor, dated the 29th February 1836:—

GOLD.	£.	s.	d.	SILVER.	s.	d.
Doubloons	3	6	–	Ducatoons‡	5	4
Joes (Portuguese)	1	13	3	3-guilder pieces‡	4	8
Bengal mohurs (star)	1	13	3	Dollars	4	4
Other mohurs	1	10	2	Half star-pagoda	3	8
Moidores	1	6	–	Colonial pieces (English coined)	2	4
Napoleons and Louis d'Or	–	15	7	Sicca rupees (star)	2	1
10-guilder pieces	–	15	7	Other§ „	1	11
Venetians	–	9	4	Dutch guilders	1	6
Star Pagodas	–	7	8	5-franc pieces	4	–
Porto Novo†	–	5	6	Franc	–	10

The under-valuation of sterling coins (*e.g.*, the doubloon was only worth 64 *s.* sterling, and the dollar 4 *s.* 2 *d.*) did not prevent the importation of large sums in British silver into the Island by the Imperial Government, *e.g.*, 5,000 *l.* was shipped from the Cape in 1841, only to be returned in small consignments within a twelvemonth. And such was the over-valuation of certain Indian coins in this heterogeneous currency, that, in spite of the over-valuation of the dollar and doubloon by 4 per cent. as com-

* As a matter of fact, the whole balance in the Island Treasury, as handed over by the Company's officers on the 1st March 1836, was in Spanish dollars. But doubtless these coins were retained to the exclusion of all others, only in order to obtain the extra 2 *d.* per dollar under the Governor's Proclamation of the 29th February 1836. This was the suspicion entertained by the Imperial officers of the day.

† "Of these," said a Memorial from the Island of November 1836, "there is a considerable amount in circulation. Many of them are of a very base and inferior description."

‡ "Of these" says the above Memorial, "there are several kinds in circulation. Many of them are clipped or else much worn."

§ The Memorial of 1836 explains that many of these were of Native coinage, and that "the intrinsic value of some of them is probably not more than 1 *s.* 6 *d.*"

pared with sterling, "the disposing of Spanish and South American dollars and doubloons to the masters of American vessels is generally more advantageous to the merchants than paying them into the Commissariat chest in exchange for bills on London." Of the silver coins current in 1843, scarcely any were British, and nearly all were clipped, worn, or defaced. Such was their variety that persons tendering for Commissariat Bills "were seldom aware of the specific coins in their possession until they opened their money bags, which contained generally an indiscriminate mixture of rupees, francs, ducatoons, and many others." Few coins had any established weight, but lightness did not bar their circulation. Popular suspicion, however, of the base Porto Novo pagoda* led to the whole insular stock of these coins being poured into the Commissariat chest, 1,668 being in hand on the 15th August 1843. And, from 1836 onwards, the Island memorialised the Home Government (1) for a return to the earlier rating of the dollar at 4 *s.* 2 *d.*, and (2) for the demonetisation of most of the foreign coins, particularly pagodas. Further, clipping became still more rife, and counterfeit dollars, &c., were put into circulation, entailing the passing of the Order in Council of 15th January 1840 against such malpractices.

In 1843, following the precedent of the Sierra Leone Order of the 10th June 1843, the principle applied in 1838 to the West Indies (*see* page 27), was extended to St. Helena. By the Order in Council and Proclamation of the 15th July 1843, the dollar and doubloon were rated at 4 *s.* 2 *d.* and 64 *s.* respectively, and all other non-sterling coins were demonetised. Such demonetised foreign coins were exchanged for British silver, &c., by the commissariat officer to the amount of nearly 12,000 *l.*, the money being shipped home and sold as bullion.

Thus by 1844 the currency of St. Helena was placed on the same footing as that of the West Indies. The dollar and the doubloon were rated for concurrent circulation with sterling, and there was no limit of legal tender on silver coins.

And as in the West Indies, so in St. Helena, the next step in currency legislation resulted from the depreciation of the gold price of silver and the consequent over-rating of the dollar at 4 *s.* 2 *d.* In 1879 the Governor of the Island wrote that dollars, worth only 3 *s.* 8 *d.* at the Cape, were beginning to pour into St. Helena.

As a provisional measure, the Governor was authorised to pass an *ad interim* Ordinance demonetising the dollar. This was done by Ordinance No. 3 of 1879, passed on 6th November 1879, whereby it was further provided that for three days after the promulgation of the Ordinance dollars might be paid into the Colonial Treasury at the old rate of 4 *s.* 2 *d.*

The opportunity was now taken to review the currency system of the Island. It was decided to proceed further than the mere demonetisation of the dollar, and (i) to demonetise the gold doubloon as unnecessary in an island now having trade relations

* These coins (according to the Commissary) "had no legal weight, form, stamp, or other quality by which their correctness can be ascertained."

almost exclusively with England and the Cape ; and (ii) to impose a 40 *s.* limit on the legal tender of British silver, and a 1 *s.* limit on bronze.

These provisions were embodied in the amending and consolidating Order in Council and Proclamation of 20th April 1880, which was published on 17th June 1880 by the Governor, and brought into operation as from the same date.

Consequently, only the gold, silver, and bronze coins of the United Kingdom are now legal tender in the Island. There are no banks or paper currency ; and the bulk of the gold has accumulated in the local Treasury Chest. An enterprising arrangement has been made by the Colonial Government for the issue (at a charge of 1 per cent.) of Bills on the Crown Agents for the Colonies, in lieu of the cumbrous system of Post Office Orders with a maximum of 10 *l.* each. This tends to encourage the visits of the whalers on whom the limited trade of the Island depends.

It has been estimated that the coin in St. Helena, of which one-half is silver, amounts to about 10,000 *l.*, or nearly 2 *l.* 12 *s.* per head, taking the total population at 3,800. But, of this, at least 4,000 *l.* is not in private hands, so that the "active" circulation amounts to under 1 *l.* 12 *s.* per head.

No foreign coins are in circulation, except one or two American quarter-dollars, which pass as shillings.

CHAPTER XXI.

NATAL.

(1843.)

IN 1825 the Cape Government had passed an Ordinance making British silver and copper coins legal tender in the territories then comprised in the Cape Colony. But, as the Cape* Ordinance, No. 12 of 1845, declared that no Ordinance previously passed in the Cape should extend to Natal, the currency of the latter Colony was absolutely unregulated by law. As a matter of practice, however, the currency of Natal was identical with that of its neighbour the Cape; and British coins of gold and silver (but principally the former) were the exclusive medium of exchange.

The first regulation was the Government Notice, No. 15 of 1867, dated 1 February 1867, which published the Order in Council, and Proclamation of 10 November 1866, declaring the gold coins of the Sydney Mint a legal tender. But apparently no local proclamation was issued bringing the Imperial measure into operation.

The great dearth of silver and copper money which prevailed throughout South Africa until quite recent years was acutely felt in Natal. Even fourteen years ago, the recognised change for a sovereign was 19 *s.* 6 *d.* up-country. Copper or bronze was almost unknown; it was unpopular with the natives, and the only place where change was given in bronze was the Post Office. At stationers, &c., where it was occasionally necessary to sell articles of less value than a threepenny-bit, it was the custom to give cheap pencils, &c., as change. But storekeepers generally found it expedient to meet the difficulty by selling nothing under 3 *d.* At the present day there is a sufficient supply of bronze coins, and somewhat of an excess of British silver.

One curious result of the former dearth of silver was the currency of the Indian rupee, which was introduced from Mauritius by speculators after the commencement of Indian immigration. The rupee passed in the Colony at 2 *s.*, a rate which, with a falling gold-price of silver speedily led to large and profitable importations of these coins. The result was that the local banks refused to take them at their popular rating, and the Colonial Government in August 1876 ordered that rupees should be refused when tendered in payment of taxes, &c. Consequently, by 1880 the rupee had passed out of local circulation.

The anarchy which prevailed with regard to the currency of Natal was ended in 1882. By Royal Proclamation under Order

* Until 1848 the Legislative Council of the Cape continued to frame laws of Natal.

in Council of 29th November 1881, it was provided that on and after a day to be fixed by the Governor by Proclamation, the Imperial Coinage Act of 1870 should apply to this Colony (and to the Cape). The Governor's Proclamation of 3rd February 1882, fixed 14th February as the day for the coming into operation of the Royal Proclamation; and, consequently, from that day onwards the metallic currency of Natal has been established on a sterling basis with the same safeguards and provisions as to subsidiary coins as prevail in the United Kingdom. There are no foreign coins in circulation.

No legislation has taken place with respect to bank notes.

The amount of coin (gold and silver) in the Colony on 31st December 1891 was estimated at 682,948 *l.*, and the amount of bank notes° in circulation on the same date at 225,290 *l.*, or 908,238 *l.* in all. As regards coin, the banks held 582,948 *l.*; and 100,000 *l.* has been estimated for the coin in "active" circulation (exclusive of the banks).

Taking the population† at 544,000, the gross figures are equivalent to 1*l.* 5 *s.* in coin, and 8 *s.* 3 *d.* in notes, per head of the population. Taking the European population alone, the note circulation represents nearly 4 *l.* 16 *s.* per head.

The "active" circulation in coin works out at only 3 *s.* 8 *d.* per head of the total population (native as well as European), in addition to the above 8 *s.* 3 *d.* in notes, or about 12 *s.* per head for coin and notes together.

° Cape notes have no circulation in Natal.
† Only some 47,000 were Europeans.

CHAPTER XXII.

CAPE OF GOOD HOPE.*

(1795.)

LIKE Ceylon, this colony passed at the close of the last century from Dutch into British hands; and, as in the case of Ceylon, so in the Cape, the Dutch East India Company had been constrained by their financial exigencies to resort to the ruinous expedient of paper money. The standard coin at the Cape, as in other Dutch Colonies, was the silver ducatoon, with copper stivers in subsidiary circulation; but a variety of foreign coins, gold as well as silver, were introduced into concurrent circulation with the Dutch coins by ships touching at the Cape on their way to and from the East, to which the Cape was a stepping stone. Of these foreign coins the chief was naturally the Spanish dollar, the universal coin prior to the present century. But materials are not forthcoming to trace in detail the ratings in force at different dates in the colony under Dutch administration. Nor, if such materials were forthcoming, would the information be of other than secondary importance, in comparison with the early history of paper currency at the Cape.

It was in 1782, during the war, that Governor Joachim Van Plettenberg issued the first paper-money in the colony. The denomination adopted was not the ducatoon, which was the standard *coin*, but the "rix-dollar," a money of account, equal to 8 skillings or 48 stivers (cf. Ceylon). In June of 1782 the issues amounted to Rds. 159,607. 6. 4, the notes being for various denominations ranging as low as two stivers. In 1793, when only 200,000 rix-dollars in paper were in circulation,† the Lombard Bank was floated with a capital of Rds. 680,000, which was lent to the Colonial Government in return for new paper rix dollars; and by the date of the first surrender of the colony to Great Britain (16th September 1795), the total paper issues, including the 680,000 Rds. representing the Bank's capital, amounted to Rds. 1,291,276. According to Grant,‡ after the

* For information respecting the modern currency of the Cape, I am indebted to Sir Charles Mills, K.C.M.G., C.B., the Agent-General for the Colony.

† | | Rds. |
|---|---|
| Total issues, 1782-4 - - - - | 925,219·46 |
| Redemptions in specie and bills, 1785-9 - | 825,904·34 |
| | 99,315·12 |
| Further issues in 1792 - - - - | 100,684·36 |
| Total - - - | 200,000· 0 |

‡ "Considerations on the State of the Colonial Currency and Foreign Exchanges at the Cape of Good Hope" (Capetown, 1825); *see* also J. B. Ebden's (anonymous) "Copies of Correspondence relative to the Currency of the Cape of Good Hope" (Capetown, 1825).

capture of the colony in 1795 the (paper) "rix-dollar was in such request that General Craig could not obtain a sum required for the 'extraordinaries' of the army, though he offered the bills at par, that is at 4 *s.* the rix-dollar, the value at which they passed in circulation. He was, therefore, obliged to create 250,000 rix-dollars in currency" in 1797, and a further sum of Rds. 80,000 for the purchase of rice in the same year. This latter step was in contravention of the undertaking given by the British Colonial Government, with reference to the 8th Article of the Capitulation, viz., to aim at the *liquidation* of the paper currency. And further steps were taken on the same mischievous path by the British Government in 1797, which depreciated the paper rix-dollar from the par of 1795 to from 20 to 30 per cent. discount. When the Cape was restored to the Dutch in 1803 a full equivalent was paid to them in stores for the outstanding British issues of paper, Rds. 1,786,276 representing the amount actually in circulation. It might have been hoped that this opportunity for purging this important colony of the scourge of unsecured paper money, would have been taken by the Dutch, and that they would have now remedied the evil introduced by them into the colony some 20 years before. But, unfortunately, during the Dutch re-occupation from 1803 to 1806 the evil was aggravated rather that alleviated. For, on the final surrender of the Cape to Great Britain in January 1806, the paper currency amounted to nearly Rds. 2,100,000; and such was the depreciation of the paper at this date, that a Spanish dollar—worth only about 4 *s.* 2 *d.* sterling—exchanged for from 2½ to 3 paper rix-dollars, making the latter equivalent even at this early date to only about 1 *s.* 6 *d.* on the average. With the re-establishment, however, of British rule, the credit of the paper rose, mainly in consequence of the issue of the following Proclamation by Governor Baird on 23rd January 1806:—

"Whereas it is highly necessary for the prevention of all disputes and the better regularity of trade that the several coins of money which are current in the colony should have a fixed and determined value assigned to them, I having taken the same into my most serious consideration have determined and do hereby order accordingly that the respective values of the coins hereafter mentioned should be as follows:—

	Shillings.	*Stivers.*	*Sterling.* £. *s.* *d.*
A guinea	44	264	1 2 –
A doubloon, 16 Sp. dollars	160	960	4 – –
A johanna 8 ditto	80	480	2 – –
A ducat	19	114	– 9 6
A Venetian sequin	19	114	– 9 6
Gold mohr., 15 Sic. rupees	—	—	1 17 6
A Pagoda	16	96	– 8 –
A Spanish dollar	10	60	– 5 –
A rupee	5	30	– 2 6
English shilling	2	12	– 1 –
Copper coin	—	2	– – 2

And whereas it is important for the prosperity and welfare of this Settlement that the exportation of all gold or silver currency should be prohibited; and whereas the same has accordingly been forbidden by several Proclamations issued from time to time, not only in the Dutch Government, but also by the British Governors and Commanders, I think proper to issue this Proclamation, strictly prohibiting the exportation of any money or monies current in this Settlement. Any person convicted of attempting to act contrary to this regulation, and found guilty of having exported a greater sum than to the value of 10 *l.*, will be punished by the confiscation of the whole of the money or monies so exported, one-third of which will be given to the informer."

This Proclamation, which was drawn up by a soldier on the basis of a rating of 5 *s.* for the dollar (a rating in vogue at the time in Canada, Newfoundland, and Australia), had no pretensions to a scientific accuracy in adjusting the rates at which gold and silver coins could circulate concurrently with one another. But the table of ratings is interesting as showing (i) the medley of coins which were familiar at the Cape in 1806, as being the stepping-stone to the East; (ii) the fact that specie was being exported; and (iii) the existence of disputes relative to the equivalence of current coins in terms of the depreciated paper. As regards the details, it is unnecessary to discuss the over-valuation of gold or the relative prices put on the several coins. For the time being, the doubloon was the standard coin; but the real interest for the future history of Cape currency is the fact, so frequently appealed to some 20 years later, that the British shilling was rated at two skillings (in paper), and, consequently, that the sterling valuation of the paper rix-dollar was uniformly assumed to be 4 *s.* sterling, when at "par."

A further Proclamation, dated 12th June 1806, furnishes evidence of the straits to which the colony had been reduced even before 1806 for want of a metallic currency, and is valuable as containing an official recognition of the paper money as the local measure of value. The following is the text of this further Proclamation:—

"Whereas it has been represented to me that the inhabitants of this Settlement suffer considerable inconvenience for want of some circulating medium of a small value; and whereas with a view to remedy this evil, the late Batavian Government had coined and imported a silver coinage, but which had not been issued at the period of the surrender of this Settlement; now having taken the same into my consideration, and being anxious to contribute in every reasonable measure to the welfare of the inhabitants, I do hereby direct that the same shall be forthwith issued by His Majesty's Receiver General, and become current in this Settlement, at the rate at which the Batavian Government intended to have issued the same, namely:—

The quarter-guilder is to pass for six stivers currency, or be equal in value to the present paper skilling.

The small coin of the value of the eighth part of the Dutch guilder is to pass for three stivers currency, or be equal to half the present paper skilling.

And whereas a considerable number of English copper penny pieces were imported into this Settlement during the last war; and whereas it has also been represented to us that, if they were thrown again into circulation, it would be advantageous to this Settlement in general, I do hereby revoke all former Proclamations or Orders on the subject, and direct that those penny pieces are henceforth to pass current in this Settlement for two stivers currency, or the third part of a paper skilling."

Further, in 1806, the British Colonial Government resumed the convenient system of paying its expenses by means of the printing press. On 15th November 1806 Rds. 80,000 in paper was issued for a colonial granary; and the effects of a depreciated currency soon made themselves felt so acutely as to lead to the appointment of a committee in December 1807, to inquire into the inconvenient "scarcity of circulating specie," which was traced not to the real cause, but to "usurious practices."

But the above increase was trivial as compared with the increase authorised by the Proclamation of Lord Caledon, the Governor, on 14th June 1810, in connection with the addition to the capital of the Lombard Bank. For this increase, which amounted to a million paper rix-dollars in all, one-half being issued in 1810, and the remainder in instalments in 1812–13, Lord Caledon pleaded that "the growing commerce and augmented population of the colony required an addition to the circulation to assist the industry of the inhabitants." The inevitable result of this ruinous policy appears in the quotations of the exchanges, which stand at 145 in 1811, 160 in 1812, 165 in 1813, and 180 in 1814, when the paper stood at nearly Rds. 3,200,000.

In spite of the spirited efforts of the Government to float paper, it appears that by 1822 private individuals were engaged in humble but dangerous competition. Couched, therefore, in terms of some asperity is the Proclamation by which Governor Lord Charles Somerset, on 22nd May 1822, prohibited this private enterprise:—"Whereas various notes, bills of exchange, and drafts for money, for very small sums, under the appellation of 'Good fors,' have been for some time circulated or negociated in the frontier districts of this Settlement and elsewhere, to the great prejudice of trade and public credit; I order that all promissory or other notes, bills of exchange, drafts, or undertakings in writing, being negociable or transferable, for the payment of any sum or sums of money less than the sum of fifty rix-dollars, in the whole, which shall or may be issued, at any time from and after the 15th day of September next 1822, shall be, and the same are hereby declared to be, absolutely void and of no effect, any usage or custom to the contrary notwithstanding." After fixing a fine of from 50 to 1,500 Rds. for transgression of the above provision, the Proclamation goes on to state that: "Whereas it has been made known to me that the issue of the notes, bills, drafts, or undertakings

aforesaid, has been attempted to be excused by a supposed want of small currency in the distant districts; I have, therefore, taken measures for the supply of the frontier with an adequate proportion of small currency, and I have empowered the Landrost of the Albany district to exchange any notes of the Colonial Treasury into small currency, in order that no plea whatever may exist for a continuance of the prejudicial practices, which it is the object of this Regulation to check and annihilate."

With regard to the Government issue, which remained at about the same figure from 1814 on to 1825, though the practical evils of an unredeemable paper currency were only too patent to all, yet a hot controversy arose as to the causes. On the one hand, the evil was traced to the issue itself; whilst, on the other, it was explained on the basis of over-importations, creating an unfavourable balance of trade, and so raising the premium on sterling bills. If we allow 3 per cent. as the total cost of shipment of specie from the Cape to England, the latter contention is refuted forthwith.

It will be convenient here to record the successive stages of the depreciation in sterling value of the paper rix-dollar from 1806 onwards, as shown by the exchanges :—

	s.	*d.*
1806–1810	3	6
1811–1815	2	6
1816–1820	1	10
1821–1825	1	6

By the beginning of 1825 the total amount of paper afloat was Rds. 3,096,204 in notes of from 1 to 500 rix-dollars, and in smaller notes of 1, 2, and 4 skillings each. The only metallic currency in circulation at the Cape now consisted of a trifling amount in British pence, locally known as "doublejees," which passed for 2 *d.* currency, or the 24th part of a rix-dollar.

Such was the deplorable state of the currency of the Colony when in 1825 the Imperial Government issued the Order in Council of 23rd March of that year (*see* page 23), the main object of which was to introduce British silver coins into general circulation throughout the British Colonies. The Treasury Minute of 11th February 1825, upon which the Order was founded (*see* page 421), after remarking that "there is at present no metallic circulation in the Colony," goes on to state that "the nominal value of the rix-dollar is 4 *s.*; but it has for many years been at a very considerable discount in exchange for bills on England; and its real value, with reference to those bills has not, upon an average, been more than 1 *s.* 6 *d.* sterling." As a preliminary step, therefore, to the contemplated introduction of British token coins, a sterling value of 1 *s.* 6 *d.* was formally placed upon the paper rix-dollar, "which shall be at all times exchangeable at the will of the holder for bills upon the

Treasury at the rate of 103 *l.* in value of rix-dollars computed at 1 *s.* 6 *d.* each for every 100 *l.* bill." And all paper money so paid in for bills was to be cancelled. A new era had now begun for the paper rix-dollar. It had received a sterling rating at which it was readily exchangeable into sterling bills; and beginning with 1825, some efforts were made by the Colonial Government to create a sinking fund for the ultimate withdrawal of the issues outstanding. And the Colony had the benefits arising from the large imports of British coin by the Commissariat, amounting to a net sum of nearly 300,000 *l.* between 1st July 1825 and 31st December 1839.

Local effect was given to the Imperial legislation of 1825 by the passing of an Ordinance by the Governor in Council on 6th June 1825, which came into operation on 1st January 1826, and introduced sterling denominations of money into the public accounts. There was a great outcry against the valuation of the paper rix-dollar at so low a figure as 1 *s.* 6 *d.*, and appeal was made, with justice,* to the Proclamation of 1806, whereunder the skilling had been rated at 6 *d.* But the Imperial Treasury refused to alter a rate which was in accordance with the ascertained facts of the exchanges for 1822 and 1823. And the Treasury was supported by the reception given to the rating. For, in the course of some 12 months from 1st January 1826, no less a sum than Rds.1,237,000 in paper had accumulated in the Commissariat Chest, or nearly one-half of the total outstanding issues. In 1825 a sinking fund had been established, as mentioned above, for the redemption of the paper; but the assets of this fund were diverted from 1829 to 1835 to meet ordinary Colonial expenditure. The amount of paper collected by the Commissariat was re-issued in the form of new stamped notes in 1830.

The only coins in circulation from 1825 onwards were British. Spanish dollars had ceased to be of practical importance for the purposes of currency, and were shipped off to Mauritius and elsewhere as soon as they were received in the colony from passing ships. According to Porter's Tables "foreign coins are in very small proportion, and are not in use as a circulating medium. They are principally Spanish dollars and a few rupees. Their value depends almost entirely on the occasional demand for them. The usual exchangeable value of the Spanish dollar is from 3 *s.* 9 *d.* to 3 *s.* 10 *d.*, or at most 3 *s.* 11 *d.*, and that of the Sicca rupee from 1 *s.* 6 *d.* to 1 *s.* 8½ *d.* Other rupees, when in demand, are disposed of at 1 *s.* 6 *d.* each, but the general price does not exceed 1 *s.* 1 *d.*, 1 *s.* 2 *d.*, or six paper skillings."

In 1835 it was ordered that the outstanding paper rix-dollars should only be payable at the Colonial Treasury; and in 1840 notice was given that such paper (then amounting to 202,698 *l.*) would not be paid or exchanged after 31st March 1841. In this

* "Fixing the value of the Rix-dollar at 1 *s.* 6 *d.* sterling by an Order in Council is incompatible with the terms upon which the paper money was originally issued." Letter of Lord Caledon of 2nd June 1825, quoted by Ebden, page 17.

manner, after nearly 60 years, the currency of the Cape of Good Hope was finally purged of the paper rix-dollar. It will be observed that, closely parallel as was the history and fate of the paper rix-dollar in Ceylon and at the Cape, the latter colony happily abstained from following the Ceylon precedent of striking a metallic rix-dollar equivalent to the value in exchange of the depreciated paper-money of the same denomination.

Relieved of its burden of paper, the currency of the Cape entered on a healthy phase. Up to the end of 1839 no less a sum than 288,043 *l.* in coin (almost all British silver) had been imported by the Commissariat, and there was an abundant supply of that coin in circulation. And, moreover, the prosperity of the colony was steadily increasing, so that the colony could command an increasing share of the world's stock of coin.

There have been only two further legislative changes by which the metallic currency of the Cape has been affected up to the present day :—

(i.) In 1866, by Order in Council and Royal Proclamation of 10th November of that year (*see* page 29), the gold coins of the Sydney Mint were declared legal tender in this and certain other colonies. The Royal Proclamation was published, and so brought into local operation, by the Government Notice, No. 31 of 1867, dated 24th January 1867.

(ii.) In 1881 the Coinage Act of 1870 (*see* page 448) was applied in its entirety to the colony by Order in Council and Proclamation (under the Act) of 29th November 1881, which was brought into local operation as from the 10th February 1882, by the Proclamation of the Governor, dated the 3rd of the same month. By this important measure the currency of the Cape was placed on the sterling basis of gold, and tokens were reduced to their proper subsidiary position as legal tender fo sums not exceeding 40 *s.*

From 1857 to 1891 (inclusive) the total imports of specie at the Cape amounted to 12,340,346 *l.*, and the total exports to 3,584,830 *l.*; hence the total excess of imports of specie was 8,755,516 *l.*, whilst the population is slightly over 1½ millions (of whom 377,000 only are Europeans). These figures give an average of coin per head of the total population of 5 *l.* 16 *s.* After deducting the banks' holdings, which amounted on 31 December 1891 to 2,589,724 *l.*, the "active" circulation of coin would slightly exceed 4 *l.* per head, on the above basis of recorded specie movements*. But the figures derived from specie movements are manifestly only approximate. Though many of the natives hoard considerable sums in gold, yet it may fairly be premised that the unrecorded movements of specie across the land borders of the colony have drained a large proportion (perhaps one-half) of this large holding of coin out of the Cape.

* The Cape stood alone among the British Colonies (outside Australasia) in taking advantage of provisions for exchanging pre-Victorian gold in 1890. The total sum shipped to England was 14,150 *l.* But though pre-Victorian gold coins were exchanged, they still remain a legal tender in this as in all other Colonies in which they were previously current by law.

Notes.

There remains the question of Note Issues in the colony since 1841. Though the Government paper had been withdrawn, Issues by Banks under Charter were circulated; and in 1864, by local Act, No. 6, of that year, a duty of 1 *l.* 10 *s.* per cent. was imposed by the Legislature, the basis for computation being the sworn average issue of each year. And by Act No. 6 of 1875 it was provided that the minimum denomination of notes issued by Joint Stock Banks should be 4 *l.*, the old Proclamation of 1822 by Lord Charles Somerset (*see* above) being repealed. In 1879, by Act No. 11. of that year, an important step was taken in limiting the amount of the issue by the Joint Stock Banks, it being thereby provided that "it shall not be lawful for any Joint Stock Bank established under the provisions of this Act to have in circulation at any time notes of such bank to a greater amount than its paid-up capital. And any such bank issuing, or having in circulation, at any time, notes exceeding in value its paid-up capital, shall forfeit and pay to Government a penalty equal to such excess." And it should also be mentioned that in 1870 the House of Assembly passed a Bill (which, however, did not pass the Legislative Council) for re-establishing a Government Note-Issue. The proposed issue, which was to consist of notes of 1 *l.*, 5 *l.*, 10 *l.*, and multiples of 10 *l.*, was to be secured (i.) by a deposit of coin equal to the issue up to 20,000 *l.*; (ii.) by a deposit of 3 *l.* in coin for every 5 *l.* issued between 20,000 *l.* and 100,000 *l.*; and (iii.) by a deposit of only 1 *l.* in coin for every 2 *l.* in notes issued between 100,000 *l.* and 300,000 *l.*

In the years 1890-91, heavy bank failures took place; the Cape of Good Hope Bank, the Union Bank, and the Paarl Bank closed their doors. As the notes of these banks were unpaid, public confidence, especially among the Dutch colonists, was shaken in notes generally; and it became necessary (seeing that a paper currency is considered indispensable in the sparsely-inhabited area of the Cape, where the transport of specie is difficult) to establish a note-issue which should command universal confidence. And, in the second place, the difficulty of floating Cape loans at a satisfactory price, disposed the Colonial Government to view with favour the United States precedent of allowing National Banks to issue notes against Government stock. The banks were large holders of specie; and it was seen that the twofold object might consequently be secured (i) of securing a market for Government stock, and (ii) of safeguarding note issues.

The banking law of the colony was accordingly amended and consolidated by the important Act, No. 6, of 1891. This Act provides that "every bank desirous of issuing bank notes within this colony shall deposit with and transfer to the name of the Treasurer Government Securities to the amount of the intended issue; provided that it shall be optional for any such bank to deposit Treasury Bills of the Government of the Cape Colony in proportion of such securities to the amount of not more than one-

fifth of the intended issue, and provided further that no bank registered, and having its head office in this colony, on the 1st January 1891, shall be subject to the provisions of this section, except at the option of such bank." On the deposit of securities with the Treasurer, he is to hand over to the bank note-forms struck from dies held by him, the denominations of notes being 1 *l.*, 5 *l.*, 10 *l.*, and 20 *l.* On the bank's completing the forms so as to make them obligatory promissory notes payable in gold on demand at its head office and such other places as may be specified on the face of the note, "such bank may issue the same as money, and the same shall be received at par in all parts of the colony," except at the issuing or head office of the bank. Should the bank fail to redeem its notes in gold on demand, the Treasurer is to pay the notes "in gold, as presented by, and for the account of Government," the Colonial Government being vested not only with the securities deposited, but also with a first lien on the bank's assets in case of default. Lastly, "no bank shall be entitled to issue bank notes to an amount greater in value than the paid-up capital and reserve of such bank," and monthly returns of note circulation are to be transmitted to the Treasurer.

As will be seen from the annexed table of banking statistics, the notes in circulation on 31st December 1891, amounted to 483,000 *l.*, or 6 *s.* per head.

BANKING STATISTICS.

DATE.	Coin in Coffers.	Note Circulation.
	£.	£.
1880, 30 June - - -	1,595,576	718,347
„ 31 Dec. - - -	1,492,432	858,501
1881, 30 June - - -	1,197,069	1,269,287
„ 31 Dec. - - -	1,452,279	1,257,486
1882, 30 June - - -	1,663,103	1,158,204
„ 31 Dec. - - -	1,717,124	942,208
1883, 30 June - - -	1,832,343	797,720
„ 31 Dec. - - -	1,657,349	787,130
1884, 30 June - - -	1,514,087	734,378
„ 30 Dec. - - -	1,537,489	708,797

Banking Statistics—*continued.*

Date.	Coin in Coffers.	Note Circulation.
	£.	£.
1885, 30 June - - -	1,534,724	638,852
„ 31 Dec. - -	1,353,427	529,628
1886, 30 June - - -	1,230,218	459,446
„ 31 Dec. - - -	1,064,562	506,532
1887, 30 June - - -	1,218,144	486,663
„ 31 Dec. - - -	1,293,114	462,982
1888, 30 June - - -	1,435,134	642,722
„ 31 Dec. - - -	1,678,861	662,107
1889, 30 June - - -	2,313,816	835,674
„ 31 Dec. - - -	2,049,316	1,034,849
1890, 30 June - - -	2,401,821	943,283
„ 31 Dec. - - -	2,296,798	740,210
1891, 30 June - -	1,897,050	710,430
„ 31 Dec. - - -	2,589,724	483,000
1892, 30 June - - -	- - -	449,441*

The Cape dominates the currency of the various British territories in South Africa:—

(i.) By the British Bechuanaland Proclamation No. 2 of 1885 (dated 6th October of that year), the laws then in force in the Cape Colony were enacted *en bloc* for British Bechuanaland. Consequently, as the Coinage Act of 1870 had previously been applied (in 1882) to the Cape, it applies also to British Bechuanaland.

(ii.) Basutoland would not appear to have any legal currency, but sterling coins monopolise the circulation.

* This amount represents the new "Legal Tender Notes," and is exclusive of 304,898 *l.* in "Other Notes in circulation."

The above sum of 449,441 *l.* in Legal Tender Notes was made up of the following items:—(i.) Standard Bank, 322,030 *l.*, (ii.) Bank of Africa, 34,756 *l*, and (iii.) African Banking Corporation, 92,655 *l.*

(iii.) "Within the parts of South Africa bounded by British Bechuanaland, the German Protectorate, the rivers Chobe and Zambesi, the Portuguese Possessions, and the South African Republic," it was provided by Sir Henry Loch's Proclamation of 10th June 1891, that "the standard coinage . . . from time to time in use in the Colony of the Cape of Good Hope shall be the standard coinage . . . to be used within the said limits." This Proclamation (with exceptions here irrelevant) was subsequently limited by Proclamation of 5th September 1891 to that part of the Protectorate which is not administered by the British South Africa Company.

(iv.) In Mashonaland, by Ordinance No. 3 of 1891, the British South Africa Company have similarly adopted "the standard coinage from time to time in use in the Colony of the Cape of Good Hope."

AUSTRALASIA.

CHAPTER XXIII.

NEW SOUTH WALES.

(1788.)

THERE is a marked parallel between the early history of the currency of the senior Australian Colony and that of the Plantations in the New World some two centuries previously. In the first years of New South Wales, as of the American and West Indian Plantations, there was a dearth of coin; exchange was by barter; when coin did begin to flow into the colony it was foreign, not sterling, coin, and this foreign coin (which here, as in the New World, was the Spanish dollar) was over-rated in terms of sterling, and so originated a system of "denominational currency," comparable in all respects with the "currency" systems of the older colonies in the New World. The chief difference lies in the prevalence of private promissory notes in the early years of New South Wales.

The currency history of the colony may conveniently be divided into four periods; the first extending from its foundation in 1788 to 1822, the second from 1822 to 1829, the third from 1829 to 1851, and the fourth from 1851 to the present day. The first period was an age of barter and tokens; the second period was marked by the supremacy of the Spanish dollar as the actual standard and measure of value; the third saw the substitution of a sterling standard; and the fourth began with the discovery of gold in Australia, and is characterised by the establishment of a Branch of the Royal Mint at Sydney.

(i.) 1788-1822.

The early records of currency are meagre in the extreme; a circumstance readily explicable by the facts of the early settlement of the colony. David Collins' "Account of the English Colony in New South Wales" (1802), shows that a certain amount of coin reached the colony through the military and the free settlers. This coin was mainly of the denomination of dollars, the universal coin of the day, with rupees and a few Dutch coins.*

* 1792. "Mary Burns was robbed of dollars to the amount of 11 *l.*"

1794. "The convicts have been seen playing at their favourite games (cribbage and all fours) for six, eight, and ten dollars each game; and those who were not expert at these, instead of pence tossed up for dollars."

1796. "Several articles having been brought for sale in the 'Marquis Cornwallis' a shop was opened on shore. As money or orders on, or by, any of the responsible officers of the colony, were taken at this shop for goods, an opportunity was afforded to some knowing ones among the prisoners to play off not only base money (as counterfeit Spanish dollars and rupees) but forged notes and orders."

But the occurrence of these coins must not be taken as evidence of their general circulation. The real currency of the infant colony consisted of the Commissary's "store receipts," given in acknowledgment of supplies furnished, and eventually convertible into bills on the London Treasury at par. These receipts passed from hand to hand and constituted a paper currency which could be at any time exchanged for a sterling bill. But even this currency did not circulate throughout the whole community, for Government fixed in terms of sterling not only the prices of convict labour, but also the prices of all common articles; hence exchange was by barter.

The first record of currency regulation in New South Wales is the Governor's Proclamation of 19th November 1800, which states that "whereas representations of the want of small money here have induced His Majesty to take into His gracious consideration the immediate relief from this great inconvenience to all classes alike of His Majesty's subjects in this colony, a quantity of copper coin has been received in His Majesty's armed vessel 'Porpoise,'* and will be circulated by being paid for grain and animal food supplied" (*i.e.*, to the Colonial Government). The Proclamation goes on to prescribe, that the coins weighing 1 oz. were to pass at 2 *d.* each; and in order "that no one may plead ignorance of the rate or legality of this or any other of the coins circulating in this colony (of which it does not appear that any regular Proclamation has ever collectively been issued)," the Governor published the following "table of all the species legally circulating in this Colony, with the rate attached to each at which they shall be considered, and be, a legal tender in all payments or transactions in this Colony. When a sufficient quantity of copper coins is received in the Colony (of which notice will be given), no private notes or cards will be allowed to circulate." And in order to discourage the collection of the new copper coin for large payments, a 5 *l.* limit of legal tender was imposed.

Table of specie current in New South Wales.

	£.	*s.*	*d.*		£.	*s.*	*d.*
Guinea -	1	2	–	Spanish dollar -	–	5	–
Johanna -	4	–	–	Rupee - - -	–	2	6
Half ditto -	2	–	–	Dutch Guilder -	–	2	–
Ducat - -	–	9	6	English Shilling -	–	1	1
Gold Mohur	1	17	6	Copper Coin of 1 oz. -	–	2	
Pagoda - -	–	8	–				

This extraordinary table was based on the assumption that a dollar was really worth 5 *s.* in sterling, a rating which at the time was in vogue in many British colonies, but was never understood to imply that this coin was actually equivalent in value to the

* The amount of copper coin received in the "Porpoise" was only 550 *l.* "The circulation of this money would be attended with the most comfortable accommodation to the people in their various dealings with each other," wrote David Collins in 1799, when the arrival of the coin was "daily looked for." *See* Macpherson's "Annals of Commerce," iv., 501, where a Vote of Parliament (697 *l.* 7 *s.*) is mentioned as having been taken "for a coinage of copper for New South Wales."

amount of sterling coin nominally denoted (*see* under Canada, &c.). The equally conventional ratings of 1 *s.* 6 *d.* for the Sicca rupee, and of eight dollars for the half-johannes (*see* under West Indies), add to the confusion. The most over-rated coin was the universal Spanish dollar; but the economic conditions of the colony render it futile seriously to examine the theoretical effects of the several ratings. Barter, and the circulation of store-receipts and private paper, continued to rule the currency.

On 3rd August 1803 the Governor issued a Proclamation against forging private promissory notes. On 30th June 1810 Governor Macquarie was constrained to issue a further Proclamation, from which it appears that "the forgery of promissory notes in writing for the payment of small sums of money hath of late times been much practised, to the subversion of common truth and justice, the prejudice of trade and credit, and to the manifest injury of industrious individuals." It was now provided that all promissory notes of 5 *l.* and under should be upon printed forms.

Writing on 2nd October 1823, with reference to the currency of New South Wales in these early years, Mr. J. M'Arthur (after stating that there was no export until a few years before 1823, and that exchange was necessarily by barter in the first instance) goes on to say, that "in process of time a currency, consisting principally of personal promissory notes, was established in the colony. The numerous issues, however, of these notes caused great inconvenience from frequent failures and forgeries, and much confusion in the different modes of buying and selling, according as the payments were made in notes, entitled to greater or less credit. With a view of diminishing these evils, General Macquarrie imported a considerable quantity of dolars from India, and substituted them as a currency."

The action of the Governor to which Mr. M'Arthur refers was carried out by the Proclamation of 1st July 1813, the preamble of which recites, that "it has been deemed expedient to send a quantity of dollars* to this colony for the purpose of assisting and improving the circulating medium thereof." The Proclamation goes on to state, that the Governor had "thought proper to direct that a small circular piece of silver shall be struck out of the centre of every such dollar, which, together with the remaining part of every such dollar (subsequently known as the 'holey dollar') is intended to be issued and circulated." It is next provided that "each such small circular piece of silver (subsequently known as a 'dump'), on one side of

* Writing on 28th June 1813, Governor Macquarie reported that on 26th November 1812, 10,000 dollars had arrived from India by the "Samarang." "Having deemed it essentially necessary to adopt every possible precaution to prevent this useful supply of dollars from being exported or carried out of the Colony, I gave immediate direction for constructing a machine here for the purpose of stamping, milling, and cutting a piece out of the center of each dollar, previous to my circulating this specie in the Colony. . . I found it necessary to engage to receive these coins back again into the Treasury here at their current value, at the expiration of every two years, and to grant then bills for them on England, having ascertained that the People here in general would not be satisfied to receive them in payment at the value I have put upon them without my giving them this assurance."

which is impressed the figure of a Crown, the words 'New South Wales' above such impression, and the figures 1813 beneath the same, and the other or reverse side thereof are impressed the words 'Fifteen pence,' and having the edges grained, 'shall be current within the territory for the sum of fifteen pence of lawful money of the United Kingdom of Great Britain and Ireland of English value and currency. Every such larger piece of silver, on the upper part of one side of which are impressed at its inner rim the words 'Five shillings,' and at the lower part of the said coin on the same side is also impressed the figure of a branch of laurel, and on the reverse side of which, at the upper part of the said inner rim, are impressed the words 'New South Wales,' and at the lower part of the said rim the figures '1813,' the edges of the said inner rim being grained on both sides, shall be current within this Territory, and every part thereof, for the sum of Five Shillings lawful money of the United Kingdom of Great Britain and Ireland, of English value and currency."

Under the same proclamation of 1813, every master of a vessel was to enter into a bond of 200 *l.* not to export, or allow to be exported, the new silver coin. And, more important than this, after 31st December 1813, "it shall not be lawful for any person or persons to issue or negotiate within this territory any promissory notes whatsoever for any sum of money under the sum of 2 *s.* 6 *d.*"

"Government," says Mr. M'Arthur, "was at all times ready to receive these silver coins at their current price, and to give in exchange bills on the Treasury for sterling money payable 30 days after sight." This statement has reference to what was the dominant factor in the local currency, viz., that Government, the great consumer, fixed from time to time the rates at which it would purchase the commodities it required, and paid for these commodities either in Treasury bills or in current tokens (copper or cut silver), which could at any time be exchanged for sterling bills at their current ratings. Consequently, the assumed standard was sterling; but the metallic currency consisted solely of silver and copper tokens, maintained at an exaggerated price by the extravagant rates at which Government sold its sterling bills. In the words of a letter of 10th May 1822 from the Bank of New South Wales (which was founded in 1817), "since the first establishment of the colony, the purchases made by Government from the settler of the provisions and other articles necessary for the service of the Government have uniformly been paid for in money of *sterling* denomination, the Government fixing the maximum price at which they would make such purchases and such payments. The Spanish dollar has hitherto circulated at the nominal value of 5 *s.* sterling, being about 16⅔ per cent. above its real sterling value as bullion. When the dollars were few in number, and received indiscriminately with the stamped Government 5 *s.* token by the Commissary, who gave for the same bills on the Treasury at their nominal and not real value, no injury or loss

could be sustained by those persons who furnished the supplies required from time to time by Government."

Side by side with the token coins which formed the whole of the metallic currency of New South Wales prior to 1822, there was, as has already been seen, a large and growing circulation of private promissory notes. From proclamations of 27th November 1813 and of 23rd and 25th November 1816, it appears that "rings" were formed for the circulation of notes, and that much of this so-called "currency" tended to express the "rate of exchange," and so to create a "colonial currency" differing from sterling. These practices were forbidden. From Mr. M'Arthur's letter already quoted, it appears that the foundation of the Bank of New South Wales in 1817 "had certainly the good effect of putting an end to the 'currency,' or issues of personal promissory notes; but *some of the emancipated convicts having become Directors by the desire of General Macquarrie, the evil consequences soon became visible.*"

On 7th December 1816, "in consideration of the present state and value of the copper money now in circulation," and with a view to the complete establishment of "sterling" currency only, the Governor ordered by proclamation that on and after 1st January 1817 the British copper coins should pass at their face value only; but before that date they might be exchanged at the Commissary's office in Sydney for three halfpence per penny. The old 5 *l.* limit of legal tender for copper money was retained.

(ii.) 1822-1829.

"Within these last three months," wrote the Bank of New South Wales on 10th May 1822, "dollars to a very alarming amount have been imported into the colony, the importers induced no doubt by the knowledge that their circulating value was greater here than in any other part of the world." This statement has reference to an entirely new departure in the regulation of the local currency by the new Governor, Sir Thomas Brisbane. With him originated what was known at the time as the "dollar system." Sir Thomas Brisbane was an ardent believer in the Spanish dollar, and believed that, in making it the standard of value in the colony, he was placing the currency on the soundest basis. The steps by which this important change was effected were as follows:—In the first place a large importation of Spanish dollars (no less than $400,000, according to a letter of 15th August 1826 from the chairman of the Chamber of Commerce) was made under contract from India. These dollars were issued by the Commissary in payment for supplies at the regulation rate of 5 *s.* per dollar. On 9th May 1822 a general order was issued that colonial duties and Government quit rents would be received in these coins at the like rate. Thus, by stopping the sale of Government bills, and by payment in the newly-imported dollars, a metallic circulation had been established. This done, the Commissary put up his bills to public tender, and "as the exports were still much less than the imports" (or rather, because of the over-valuation of the dollar

at 5 *s.*), "the merchant was compelled to offer a high premium for these bills. The first were sold from 2½ to 5 per cent., but the premium rose in a few months to 20, and was in May 1823 at 25 per cent.," the latter rate being equivalent to about 4 *s.* sterling per dollar, or about 4 per cent. below the sterling price of the day in London.

Pursuing his new policy, Sir Thomas Brisbane sought, by the repeal on 27th June 1822 of his predecessor's proclamations of 23rd and 25th November 1816, to put a stop to all barter in the colony. And on 25th July 1822 he ordered by proclamation that the "Government dollars" of 1813 should be exchanged at their rate of issue, if tendered for exchange within six weeks. On 15th November 1822, a further proclamation directed that the "dump" might be presented within six months at the Commissariat for the purchase of bills, but that after that period they would be current "for one-fourth part only of the Spanish dollar," *i.e.*, for six months, bills at par would be given for the dump rated at 1 *s.* 3 *d.*, but afterwards the dump would have to compete with Spanish dollars for the purchase of bills at a premium. The "holey dollar" of 1813 was re-issued at the end of 1822, and passed current, under general order of 31st December 1822, "for three-fourths of the Spanish dollar."

Had the Governor stopped here his policy would at least have been consistent, if mistaken; but, not content with dislocating trade by a sudden change of the standard of value, he proceeded to introduce an unjust and vexatious complication by the following general order of 5th February 1823:—

"The Spanish dollar will commence to be taken in payment of the colonial dues, estimated in sterling money, at the highest rate for which it may have been received by the latest public tenders made to the Commissariat. Henceforward the accounts of the naval officer and colonial treasurer will be kept in dollars and cents; and the salaries chargeable to the colonial revenue will be converted into the currency at the exchange of five Spanish dollars for every pound sterling. The copper coins of Great Britain will in future pass in the colony for as many cents as they are denominated to contain halfpence." This last regulation made the "dollar system" intolerable. The same dollar which was *paid out* by Government (i.) at 5 *s.* for purchases (ii.) at 4 *s.* 8 *d.* to the troops, and (iii.) at 4 *s.* to public officers for salaries, was received back by the Colonial Government at a fluctuating exchange-rate. And the Bank declined to receive the dollar for more than 4 *s.*

The inconvenience of the new "dollar system", and the concomitant withdrawal of the benevolent rate of exchange previously allowed, raised a loud outcry in the colony. As early as 21st August 1822 (as appears from the "Sydney Gazette" of the 30th of that month), a public memorial was addressed to Sir Thomas Brisbane against "the system lately introduced by the Commissariat in paying for supplies required by Government in Spanish dollars." The memorial goes on to deprecate the importation of more Spanish dollars, and begged

for a return to the old system under which "store receipts" were given, which were exchangeable at par for bills at 5 *s.* per dollar. And, as the exchange rose by leaps and bounds till it found its just level, the outcry grew louder still. After a prolonged resistance, worthy of a better cause, the Governor on 13th September 1824 appointed a committee to fix a definite rate at which all the public offices should receive and pay the Spanish dollar. On 21st September they reported that the intrinsic value (*i.e.*, on the obsolete "mint-price" of 5 *s.* 2 *d.* per ounce) was 51·79 *d.*, and recommended a rating of 4 *s.* 4 *d.*, the British halfpenny and shilling to pass for 1 and 20 "cents," and the colonial dump and holey dollar to pass for 25 and 75 "cents" respectively.*

As a result of the introduction of the dollar into general circulation, it became necessary in 1824 to pass an Act "to make promissory notes and bills of exchange payable in Spanish dollars available as if such notes and bills had been drawn payable in sterling money of the realm." And it may here be stated that in this year the total amount of British silver and copper money together did not exceed (by estimate) some 400 *l.*, and this was rarely seen in circulation. The great mass of the metallic currency was composed of Spanish dollars.

In 1825 (*see* page 23) the Imperial Government produced its measures for introducing British silver into general circulation in the colonies. The Treasury Minute of 11th February 1825 speaks of the variety of rates of currency of the dollar as "highly objectionable," and expresses the opinion that "it would be expedient to provide that all debts which may be contracted, and all engagements which may be made, after a day to be named, for the payment of money in the colony, should be discharged either in British silver money, or in Spanish dollars at 4 *s.* 4 *d.* each, at the will of the debtor; and that all engagements contracted previously to the day to be so named, either by the Government or by individuals, should be respectively discharged and liquidated by the payment of 17 *s.* 4 *d.* in the pound for the nominal amount of the debt, either in British silver money, or in dollars computed at 4 *s.* 4 *d.* each; by which means a debt already contracted will be discharged by the same number of dollars as at present."

The Imperial scheme was brought into operation by the Order in Council and Proclamation of 23rd March 1825 (*see* page 425). The idea was cordially received by a public opinion now bitterly opposed to the dollar. Accordingly, the Treasury suggestion was adopted, and an Act passed on 12th July 1826 (i.) repealing the Act of 1824 respecting notes, (ii.) prohibiting the issue of notes of a less denomination than twenty shillings, and (iii.) enacting that 4 *s.* 4 *d.* in sterling money—the mistaken rate, it will be observed, which the colonial committee had hit upon independently—should be deemed equivalent to a Spanish dollar. According to

* It has not been found possible to trace what action followed this recommendation. The Imperial Scheme of a few months later may have obviated the necessity for local action.

a letter of 15th August 1826 from the chairman of the Chamber of Commerce, "the largest estimate we are enabled to make of the amount of British sterling specie at the present moment in the whole country would very little exceed 10,000 *l.*, exclusive of about 20,000 *l.* in dollars at 4 *s.* 4 *d.*" As general bankruptcy seemed imminent, the Chamber asked for a Government loan to aid the banks in granting accommodation, and for paper issues; but both these requests were refused. The difficulty of providing a sufficiency of the British coins was soon met by the importation of 55,000 *l.* in British silver by the Commissary. Of this sum, according to the Commissary's report of 22nd October 1827, about 7,000 *l.* was in general circulation at that date, 14,000 *l.* in the two banks, and over 33,000 *l.* in the military chest.

"Dollars," the Commissary reported, "were kept for the purpose of sending to China and exporting to foreign settlements." This statement is dubious on grounds both of theory and of the ascertained facts of 1829. For, as the dollar was rated at 4 *s.* 4 *d.* sterling, whereas its intrinsic value in sterling was only 4 *s.* 2 *d.*, the 4 per cent over-rating of the dollar would naturally be supposed to drive out British silver. This view is supported by the preponderance of non-sterling coins in the military chest on 24th September 1829, as shown by the following statement:—

	£.	*s.*	*d.*
British silver coin - - - - -	12	8	–
British copper coin - - - - -	701	14	8
Ring dollars, 27,161 at 3 *s.* 3 *d.* - -	4,413	13	3
Spanish dollars, 3,432 at 4 *s.* 4 *d.* - -	743	12	–
Rupees, 734 at 2 *s.* 1 *d.* - - - -	76	9	2
Dumps, 10,103 at 1 *s.* 1 *d.* - - -	547	4	11

This statement goes to show that, though the Commissary might pay out sterling coins, it was in dollars and the colonial tokens that he was paid the price of his bills.

(iii.) 1829-1851.

The difficulty of keeping British coins in circulation, in competition with the dollar, led to a popular revolution in the local currency at the end of 1829, which is chronicled, as follows, in the annual return from New South Wales for 1830: "The coins in circulation are those of Great Britain and Spanish dollars. On 23rd November 1829, the traders and shopkeepers of Sydney came to an unanimous resolution of receiving the Spanish dollar at 4 *s.* 2 *d.* and the rupee at 1 *s.* 9 *d.* only; and since that time the rate at which the Spanish dollar is received has been still further reduced, conventionally, to 4 *s.* sterling. These resolutions having come in aid of the various measures adopted by Government since the year 1825, for improving the circulating medium, the important object of these measures, that of establishing an uniform sterling currency, may now be considered as successfully accomplished. Since 1829 a great

proportion of the Spanish dollars and other foreign coins, in consequence of the reduction in their current rates, have been exported, chiefly to the Mauritius; which has rendered the currency of New South Wales more substantially British than that perhaps of any colony under the Crown." From the same return it appears that "upwards of 20,000 *l.* in gold sovereigns are at present held by the two banks and the colonial treasury, none of which coin was imported by the Government." And a further indication of the soundness of the currency system which had been established by the good sense of the community (in opposition both to the Imperial and to the Colonial Governments), is furnished by the recorded fact that on 24th February 1832 the banks held 100,000 *l.* in British coin, whilst 30,000 *l.* was in circulation.

In 1834 when the best private bills were selling at 2½ per cent. discount, the Commissary, being unable to raise money at the minimum rate of 1½ per cent. premium at which he was allowed to sell his bills, was constrained to resort to the only official alternative open to him, viz., to raise Spanish dollars by tender; and on these dollars he borrowed British silver from the Colonial Government to the extent of 4 *s.* per dollar, the rate "at which the few dollars now in circulation at this place pass current." And when this resource had been exhausted, he was forced to borrow 50,000 *l.* from the Colonial Government, under the powers conferred upon it by an Act of 1834. Later, the exchange rose, and the Commissary was flooded with coin in exchange for his bills at 1½ per cent. premium. Thenceforth his bills were put up to tender, and realised under competition as much as 6⅛ per cent. in 1839.

The inflation of 1839, which followed on the abolition of the system of assignment of convicts to free settlers in 1838, and which only preceded by a year the total abolition of transportation of convicts to this colony, lasted until 1841. In the following years the cessation of the Imperial expenditure on convicts brought about a depression, which lasted during the remaining years of this third period in the history of the currency of New South Wales. Both the inflation and the subsequent reaction are matters outside the scope of this work; but, in view of the gold discoveries with which the next period opened, it is of interest to record the rates of exchange on England for the four years ending with 1850. And in this connection it is to be borne in mind that prior to 1851 the only important export of the colony was wool, which was shipped in the four months November—February. During this period the Australian trade "consisted almost entirely of exports; while during the remaining eight months imports greatly preponderated." Hence there were regular periodic fluctuations in the exchange:—

1847	-	2	per cent.	discount	to	2½	per cent.	premium.		
1848	-	1	„	„	„	1½	„	„	„	
1849	-	1	„	„	„	par.				
1850	-	3½	„	„	„	2	per cent.	premium.		

(iv.) 1851 to the present Day.

At the beginning of 1851 the total circulation of the colony, both in notes and coin, was estimated not to exceed some 300,000 *l.* The discovery of gold produced a sudden and revolutionary change in the internal trade. In a country in which a very small circulating medium had been required, in proportion to its extent and wealth, in consequence of the scattered condition of its population and the simplicity of their mercantile transactions, the concentration of numbers of people at the "diggings" gave rise to an active retail trade, and the want of coined money was immediately felt. It was natural that, with the means at hand in so great abundance for furnishing the material of money, a demand should arise for a mint at which it might be coined.*

Nearly half-a-million pounds' worth of gold was gotten in New South Wales alone during the first year of the "gold fever;" but there was not coin in the colony with which to buy all this metallic wealth, and gold dust of over the standard fineness was commonly sold in Sydney for about 3 *l.* per ounce. To meet this crisis a committee was appointed on 18th November 1851 by the Legislative Council, "to report upon the expediency of establishing in Sydney an assay office and mint." On 16th December 1851 the committee reported (i.) that an assay office would be of "little, if any, value to the colony," but that (ii.) "if Her Majesty would be graciously pleased to establish a Mint, or branch of the Royal Mint, in Australia, at which unassayed gold, or gold in bars or ingots, might be exchanged for the current gold coin of the realm, on payment of an established charge, much good might be expected to result to the interests of all producers of raw materials in the colony."

Acting on the recommendation of the above committee, the Legislative Council addressed the following Petition, on 19th December 1851, to Her Majesty the Queen:—

To Her Most Gracious Majesty the Queen.

The humble Petition of the Legislative Council of New South Wales:

Showeth,

That large quantities of gold have recently been discovered in Your Majesty's colonies of New South Wales and Victoria,

* The following are the maximum and minimum rates of exchange on London 1851–58:—

1851	1¼ per cent. premium	to	5¼ per cent. discount.
1852	8 " discount	to	12 " "
1853	par	to	6 " "
1854	3 per cent. premium	to	¼ " "
1855	3 " "	to	1 " "
	(The year of the Mint's opening).		
1856	1¼ per cent. premium	to	1¼ per cent. discount.
1857	2 " "	to	par.
1858	¼ " "	to	¼ per cent discount.

by which the wealth of Your Majesty's subjects will be increased by many millions of pounds sterling annually. That the attraction of labour to this new employment, and the rate of exchange consequent upon the wonderful disproportion between the colonial imports and exports, have seriously discouraged the former staple productions of these colonies, and menace them with destruction, which, Your Majesty's petitioners humbly represent, would be no less ruinous to individual flock-masters than injurious to Your Majesty's Imperial interest. That this evil might be diminished by the exercise of Your Most Gracious Majesty's prerogative in the establishment of a branch of Your Majesty's Royal Mint at Sydney. That the facility thus afforded to Your Majesty's subjects of converting their gold into current coin of the realm would give additional value to the result of their labour in its discovery, and prevent the existing unnecessary depreciation of the other produce of the colony, without any undue interference with trade or the rights of any portion of Your Majesty's subjects. That your petitioners humbly conceive that the accident of their remoteness from the seat of Your Majesty's Government, which has not diminished their attachment to Your Majesty's person or their obedience to Your Majesty's laws, ought not to deprive them of similar advantages to those which flow from the exercise of Your Majesty's authority in favour of Your Majesty's subjects residing in Great Britain. That an increased facility of coining Australian gold into current coin of the realm, by giving encouragement and stability to the trade and commerce of Your Majesty's Australian colonies, and additional value to Your Majesty's possessions in that part of the globe, would serve to perpetuate those feelings of gratitude for Your Majesty's consideration and reliance on Your Majesty's justice which are the surest bonds of connection between these colonies and the British Empire.

Legislative Council Chamber,
Sydney,
19 December 1851.

Charles Nicholson,
Speaker.

Meanwhile, some of the principal bankers, &c. connected with New South Wales had addressed Earl Grey, then Secretary of State for the Colonies, who on 20th February 1852 informed the Governor that, if, after consulting with his Executive Council, he should report that it was desirable to establish a mint at Sydney, and that the expense of doing so could be provided for without inconvenience to the colony, his Lordship would be prepared to take the requisite steps for that purpose, it being understood that the mint so to be established would be regulated by Order of Her Majesty in Council, and would be considered subordinate to the Royal Mint. Lord Grey at the same time forwarded to Governor FitzRoy a Report of the Royal Mint, furnishing two estimates, one for a mint consisting of a single press, worked by animal power, capable of coining 5,000,000 pieces annually (the estimated cost of which, including the

building, was 10,000 *l.*), and the other for a mint comprising three presses, worked by steam, of a capacity calculated for the coinage of "all the probable yield of gold in Australia," and costing 30,000 *l.*

The Executive Council advised on 26th July 1852 that the establishment of a branch mint would be of the greatest advantage to the interest of the colony; the Governor concurred; and the Legislative Council also strongly favoured the proposal. As the assumption in the colony was that only one branch mint would be established for the whole of Australia, the larger establishment was preferred; but in the first instance only 10,000 *l.* was remitted (in November 1852).

When Earl Grey wrote, on 20th February 1852, no intelligence had been received in England of the discovery of goldfields in other colonies in Australia. But by the time that the final expressions of opinion from New South Wales had been received, the Home Government was not only aware that gold had been found in large quantities in Victoria, but had received a petition from the City of Melbourne protesting strongly against the establishment at Sydney of the sole mint for Australia. Consequently, as is explained in the Treasury Minute of 22nd March 1853,* the Imperial Government, whilst ready to fulfil the expectations already held out to New South Wales, was "not prepared to assent at present to the establishment of a central and common mint in any one of the colonies, and they conceive that it will be proper, therefore, to confine the arrangements to be now adopted to the apparatus and establishment to be provided for the smaller mint, referred to by Sir John Herschel (the Master of the Mint), as being of a capacity calculated to fulfil the requirements of a coinage for the colony in which the mint may be set up." Consequently, the new branch mint was to consist of a "single press, worked by animal power."

The Treasury Minute goes on to say that, "as the motive for the establishment of the proposed mints is for the coinage of the gold found in Australia, it will not be requisite to make provision at present for striking any other description of coin; but the mints, when established, will be available for any coinage which Her Majesty may direct, if a necessity for it should arise. . . . . With regard to the gold coins, as they will not, under the laws of the United Kingdom, be legal tender in this country, it will be necessary that they should be stamped in such manner as may render them distinguishable at sight from coins of the realm, with which, however, they will be identical in fineness, weight, and denomination. My Lords, however, conceive that it would not be expedient to confine their circulation to the colony in which they may be issued, but that they should have general currency throughout the colonies of Australasia."†

* Parliamentary Paper, No. 18 of 1853, *see* page 436 *infra*.

† It was originally proposed to make the Sydney coins legal tender in the Eastern Colonies, Hong Kong, Ceylon, and Mauritius, and at the Cape; but it was subsequently decided, as stated in the Minute, to limit their currency to Australia and New Zealand.

Meantime, the attention of the Home Government had been drawn to the shortcomings of the monetary system prevailing in the majority of the colonies, and the large exportation of silver coin from England to Australia particularly attracted their consideration. It was seen that in Australia, as in other colonies, British silver tokens had remained since 1825 an unlimited legal tender. It did not appear that any inconvenience had arisen from the practice in Australia up to that date, but the discovery of gold had occasioned an active internal commerce which required an enlarged circulation; and, in view of the establishment of a mint, it became essential that the monetary system in the Australian colonies should be placed on a sound basis. Consequently an Order in Council and Royal Proclamation were issued on 16th October 1852 (*see* page 435) directing that, from the date of publication of the Royal Proclamation in the respective colonies in Australia, New Zealand, Ceylon, Mauritius, and Hong Kong, "the coins of Our United Kingdom shall pass current in the manner directed in the several Acts of Parliament which regulate the currency of the same, and that the silver coins of Our United Kingdom shall not be a legal tender in payment of sums exceeding 40 *s.*"

The colony of New South Wales objected, on constitutional and other grounds, to publish the Royal Proclamation. After considerable correspondence the colony, on its own initiative, passed the Act No. XXXIX. of 1854, "to regulate the currency in New South Wales of the gold and silver coin issued from the branch of the Royal Mint in Sydney," which provided for a gold coinage at Sydney identical with and equivalent to that of the United Kingdom, and placed a 40 *s.* limit on "the silver coin of England or the silver coin issued from the said branch mint." This Act was to continue in force until the end of 1855 only. Before that date, and in connection with the authorisation of the new mint, the colony passed the Act No. III. of 1855, "to regulate the currency in New South Wales," which recites (*inter alia*) that "it is deemed necessary to define and establish by legislative enactment what shall in future be a legal tender for payment within the colony of New South Wales." The provisions of this Act, which remains in force in New South Wales at the present day, are as follows :—

"1. The gold coin issued from Her Majesty's Mint in London, and the gold coin issued from the branch of the Royal Mint in Sydney, shall be and shall be considered to be the only legal tender for payments, except as hereinafter provided, within the colony of New South Wales, and the same respectively shall pass and be received as lawful money at the value at which they are or shall respectively be declared by Her said Majesty in Council to be current. Provided always such coins shall hold the like weight and fineness as are or shall for the time being be prescribed by law for moneys of Her Majesty's Mint in London, and with such allowance called the remedy as is given to the Master of the said Mint in London."

"2. A tender of payment made in the silver coin of the Royal

Mint at London, or the silver coin (if any) issued from the branch mint at Sydney, of any sum to the extent of 40*s.* and no more at any one time shall be reputed a tender in law or allowed to be a legal tender within the colony of New South Wales, either by tale or weight of such silver coin or otherwise howsoever."

The formal authority for the establishment of the colonial mint is contained in the Imperial Order in Council of 19th August 1853, approving of a recommendation from the Imperial Treasury that—

"(i.) A branch of the Royal Mint be established at or near Sydney, in New South Wales; that the chief officer thereof, who shall be considered as a Deputy Master of the Royal Mint, on being appointed by Her Majesty, be authorised and empowered to coin gold and other coin, in accordance with the standards of weight and fineness of the currency of this realm, and of such designs as may from time to time be approved by Her Majesty, and that the Master of the Royal Mint be authorised to prepare and transmit dies for such coins, so long as the Lords Commissioners of Her Majesty's Treasury may think necessary, and subject to such regulations as they may prescribe."

"(ii.) That it may be lawful for the Governor or officer administering the government of the colony for the time being, with the advice of his Executive Council, to frame regulations under which the mint shall receive gold bullion, and coin the same; and, unless other provision shall be made for the expenses of the mint, to authorise the retention (without reference to any charge which may be imposed for the expense of refining such bullion) of such a proportion thereof, or of the coin struck therefrom, by way of a mint-charge or seignorage, as shall be sufficient to raise a fund for defraying the expenses attending the coinage, and to apply the same to such purpose."

The Order goes on to provide for the staff of the branch mint, and for the rendering of monthly and other returns by the Deputy Master to the Royal Mint. A double check on the standard of coinage was imposed by requiring not only the Deputy Master, but also the Governor, to send home specimen coins for such examination as the Treasury may direct.* And, lastly, the Governor was directed to order the inspection once a quarter of the store of bullion and coin in the branch mint.

By Order in Council and Royal Proclamation of 18th October 1854 designs for the new sovereign and half-sovereign were approved; and by a further Order and Proclamation of like date the two new gold coins were directed to be "current and lawful money within all Our colonies in Australia, New Zealand, and Van Diemen's Land, and shall pass and be received as current and lawful money therein by the names aforesaid, and at the values hereinbefore assigned to them" (*see* page 442). And it may here be added that in October 1856 the Sydney coins were made current in Hong Kong, Ceylon, and Mauritius.

* By Order in Council of 23rd November 1877 the provision relating to sending specimens home was revoked, in so far as the Governor is concerned. Only the pyx coins are now forwarded to London for examination

On 14th May 1855 the new mint commenced working. As appears from its early statistics, New South Wales and Victoria supplied all the gold received in 1855 and 1856 in almost equal moieties. The supply from Victoria then fell away, whilst that from New South Wales increased steadily up to 1862 (after which it declined), with the result that on an average of the years prior to 1872 nearly two-thirds of the gold received at the Sydney Mint was produced in the home colony. The following figures give the output of coin in the earliest year of the mint's operations:—

	£.	
1855 (7½ months) - -	512,500	Averaging over a million a year.
1856 - - - - -	1,220,000	
1857 - - - - -	767,000	
1858 - - - - -	1,343,000	
59 - - - - -	1,221,000	

ıe result of the mint's operations was that, whereas between ı851 and May 1855 about 5,683,663 *l.* in raw gold was exported from New South Wales, only 561,294 *l.* was exported between 14th May 1855 and the end of 1859, whilst 3,655,148 *l.* was sent to the mint for coinage. The mint-charge, originally ¾ per cent., was increased to 1 per cent. on 28th June 1855, except for deposits of over 10,000 oz.; it represented about 8 *d.* per ounce. By the local Act of 1857, 20 Vict., No. XVII., a differential duty was imposed on uncoined gold, the rate being 2 *s.* 3 *d.* per oz. standard on gold brought to the Mint to be coined, as against 2 *s.* 6 *d.* at the Customs for bullion to be exported.

It was not long before the colony began to press for the recognition of the Sydney gold coins as the legal equivalent of the similar coins of the London Mint. Addresses of the Legislative Assembly and Legislative Council of New South Wales, dated 17th December 1856 and 30th December of the same year, and forwarded with the Governor's Despatch of 3rd January 1857, prayed that the Australian sovereign might be declared a legal tender throughout Her Majesty's dominions. To these, Mr. Labouchere, then Secretary of State for the Colonies, replied, on 28th May 1857, that "Her Majesty's Government is not prepared to recommend to Parliament any legislation upon the subject." For the time being the matter rested *in statu quo*, the exports of Sydney coins being received in this country (and indeed everywhere except in Australasia,* Ceylon, Hong Kong, and the Mauritius) as mere bullion. But when in 1859, Victoria applied for the establishment of a Mint at Melbourne, to issue coins which should be legal tender equally with the British sovereign, the Australian association in June of 1860,† again pressed the Chancellor of the Exchequer for the adoption of the Sydney sovereign as an Imperial coin. Finally, on 13th May

* Captain Ward's Report of 14th January 1860 (Parliamentary Paper, No. 358 of 1860) states that, "At first the Sydney Mint's receipts were somewhat checked by the refusal of the Government of Victoria to proclaim the Sydney coins a legal tender in their territory. Subsequently, through the urgent want of a metallic currency, that step became a necessity, and was taken" (in 1857, *see* page 263).

† Parliamentary Paper No, 421 of 1862 (pp. 86–88).

1862, the House of Commons appointed a Select Committee "to consider and report on the expediency of legalising the circulation in the United Kingdom of the sovereigns coined at the branch of the Royal Mint at Sydney."

The Master of the Mint having stated himself before this Committee to be as much responsible for the coins struck at the branch Mint at Sydney as for those struck at the Royal Mint, the Committee recommended:—

1. That gold coin be issued from the branch Mint at Sydney having currency in all parts of the British dominions where gold minted in London is current.

2. That the coins struck at the Sydney Mint should have, as nearly as possible, the same alloy, and the same quality of execution and durability as that struck at the Royal Mint in London.

3. That the coin should also have a Mint mark sufficient to indicate, at least to bankers and others, the Mint whence it was issued.

4. That an adequate Mint charge or seignorage* should continue to be levied, and that the Imperial Government should stipulate for its being kept at such an amount as to prevent any undue inducement to the importation into the United Kingdom of gold in coin rather than in bars.

5. That arrangements should be made for withdrawing from circulation, as speedily as possible, the existing Sydney gold coinage.

6. That the charge for the branch Mint should be provided for by permanent appropriation† by the Legislature of New South Wales, rather than by an annual vote.

The Report of the Select Committee was considered in the Treasury Minute of 22nd June 1863,‡ with the result that on 28th July 1863 the Imperial Act, 26 & 27 Vict. c. 74,§ was passed "to enable Her Majesty to declare gold coins to be issued from Her Majesty's branch Mint at Sydney, New South Wales, a legal tender for payments; and for other purposes relating thereto." This Act, in addition to giving power to declare the Sydney gold coins a legal tender in the United Kingdom only, provided that, "it shall be lawful for Her Majesty, by Proclamation issued with the advice of Her Privy Council, from time to time to impose on the coinage of gold at the said branch Mint at Sydney a charge sufficient to defray the expenses of coinage,

* *See* page 462 for list of the charges successively imposed at the Sydney Mint for the coinage of gold.

† This was done in 1865 by the New South Wales Act 28 Vict., No. III., which provided 15,000 *l.* a year for the expenses of the Mint "from the day upon which Proclamation issued by Her Majesty in England shall be duly published in this colony declaring that the coin issued from the said Sydney branch is to be a legal tender for payments within the United Kingdom of Great Britain and Ireland." As it was anticipated in 1856 that the output of coin and bullion would be 1½ millions per annum, and the expenditure about one per cent. on this amount, the Colonial Vote was fixed at 15,000 *l.*

‡ Parliamentary Paper, No. 405 of 1863.

§ *See* page 442.

over and above the expenses of assay and refining; and it shall be incumbent on the said Deputy Master to coin gold at the charge so imposed."

Under the above Act the Royal Proclamation of 3rd February 1866 was issued, declaring:—

(1.) That "coins made at the said branch Mint, of designs approved by Us, at Sydney aforesaid, and being of the same weight and fineness as are required by law with respect to gold coins of the same denominations made at Our Mint in London, shall be a legal tender for payments within the United Kingdom of Great Britain and Ireland;" and,

(2.) That "We do hereby, by and with the advice of Our Privy Council, by this Our Royal Proclamation, impose on the coinage of gold at the said branch Mint at Sydney the charge of 3 *d.* per ounce troy of gold of standard fineness, being a charge sufficient to defray the expenses of coinage over and above the expenses of assay and refining."

The Act of 1863 made no provision for the currency of the Sydney coins in the colonies; but in 1866, when the question of establishing the Melbourne Mint was under consideration, it was thought expedient to provide by the Colonial Branch Mint Act, 1866 (*see* page 444), that gold coins struck at any colonial branch Mints might be made a legal tender not only in the United Kingdom but also in the colonies. Under this Act a Royal Proclamation was issued on 10th November 1866 (*see* page 445), declaring the Sydney sovereign and half-sovereign a legal tender in the several colonies enumerated in the schedule to the Proclamation. The net result was that Sydney gold coins were now put on an equality with the British sovereign and half-sovereign throughout the Empire, with the exception of Canada and Newfoundland; and on 14th May 1868 a Royal Proclamation was issued admitting the Sydney coins to legal tender in these American colonies. Lastly, in 1871, under Royal Proclamation of 14th January of that year (*see* page 453), currency was given, in this and the other Colonies specified in the Proclamation, to coins of the same design as those coined at the Royal Mint in in London.* The date of local publication of the Proclamation in New South Wales was 15th June 1871. A subsequent Proclamation (*see* page 454) was issued on 24th March 1871 declaring that, from the date of the local promulgation, the new Sydney coins should be a legal tender in "Victoria and all or any other of Our Colonies and Possessions wherein gold coins, issued from Our Mint in London, are a legal tender, other than the Colonies and Possessions specified in the Proclamation promulgated in pursuance of Our Order in Council of the 14th January 1871."

Since British gold had formally been made a legal tender within New South Wales in 1855, Melbourne gold coins were consti-

* The Sydney coins have, as a Mint mark, the letter "S" immediately above the centre of the date in the case of coins of the George and Dragon design, and within the "bow" on the reverse of shield coins.

tuted a legal tender in this Colony under the provisions of the Royal Proclamation of 7th August 1869 (*see* page).

The weight of gold brought to the Sydney Mint between 14th May 1855 and 31st December 1891 was 18,705,258·49 oz., equivalent to a sterling value of 70,337,829*l.*

During the same period (1855–91) the Mint issued gold coin and gold bullion in the following proportions:

	£.	£.
(i.) Coin:		
Sovereigns	64,701,500	
Half-sovereigns	2,497,500	
		67,199,000
(ii.) Bullion		2,942,468
Gross Total		£. 70,141,468
From this should be deducted the actual value of 758,074 *l.* in light gold received for re-coinage, viz.		755,535*
Leaving a Net Total of		£. 69,385,933

The Mint charges for the same period were as follows:	
(i.) On New South Wales gold	272,414
(ii.) On "foreign" gold	147,429
	£. 419,843
Receipts "from silver," viz.	64,600
And "from other sources," viz.	62,869
Total Revenue	£. 547,312

Whilst the revenue has thus averaged 15,000*l.*† (in round figures) for the whole period of the Mint's operations, it has only slightly exceeded 10,000*l.* on an average of the 10 years ended 31st December 1891; but since 1886 the receipts have been steadily advancing, amounting in 1891 to 13,929*l.* Thi is chiefly due to deposits brought from Mount Morgan in Queensland.

The agency of the Sydney Mint was first employed for the issue of Imperial bronze coin in 1868, and of Imperial silver coin in 1879. The total amounts issued up to the end of 1891 were 36,000*l.* in bronze, and 413,550*l.* in silver. The amount of worn silver coin withdrawn (1873–1891) was of the nominal value of 121,079*s.* 5*s.* 11*d.*

The following Table* gives an estimate of the coin in (i.) Banks of Issue, and (ii.) private hands; with amount per inhabitant, at the close of each year 1880–91. The principle, however, on which the Table computes the "total" coin as its starting-point (viz., deduction of net exports of coin from the

* The deficiency on pre-Victorian gold was made good from Imperial funds.
† *i. e.*, the amount of the annual colonial grant.

total coinage of the local Mint) has been subjected to destructive criticism by the Deputy Master of the Melbourne Mint (*see* under Victoria); and the *a posteriori* conclusions recorded *infra*, conflict with the extravagant estimates of the four last columns of the Table.

Year.	Coin in Banks of Issue.	Per Inhabitant.	Coin in Private Hands.	Per Inhabitant.	TOTAL.	Per Inhabitant.
	£.	£. s. d.	£.	£. s. d.	£.	£. s. d.
1880	3,637,568	4 17 3	2,605,370	3 9 8	6,242,938	8 6 11
1881	2,885,890	3 13 10	3,104,397	3 19 7	5,990,287	7 13 5
1882	2,672,799	3 5 7	3,128,415	3 16 9	5,801,214	7 2 4
1883	2,861,980	3 6 5	2,989,137	3 9 5	5,851,117	6 15 10
1884	3,863,873	4 5 4	2,988,744	3 6 –	6,852,617	7 11 4
1885	4,069,840	4 5 8	3,250,082	3 8 5	7,319,922	7 14 1
1886	4,439,742	4 9 9	3,361,094	3 7 11	7,801,646	7 17 8
1887	5,108,996	5 – 2	3,745,980	3 13 5	8,854,976	8 13 7
1888	5,060,759	4 16 3	3,936,589	3 14 11	8,997,348	8 11 2
1889	5,161,011	4 15 5	3,874,058	3 11 8	9,035,069	8 7 1
1890	5,810,568	5 3 7	3,915,260	3 9 9	9,725,828	8 13 4
1891	4,861,310	4 5 8	4,012,493	3 10 9	8,873,803	7 16 5

The above estimate of the coin in the banks of issue and in private hands on 31st December 1891 was made up as follows:

—	Gold.	Silver.	Bronze.
	£.	£.	£.
(i.) In Banks of Issue -	4,677 361	180,962	2,987
(ii.) In Private Hands -	3,602,914	380,087	29,492
TOTAL - - - £.	8,280,275	561,049	32,479

Of far the greater value than the above estimate, is the important statement made by Mr. T. A. Dibbs at the Inaugural meeting of the N.S.W. Institute of Bankers on 29 January 1892† :—"The Bank of New South Wales, and the Australian Joint Stock Bank, have furnished me with a return showing the

* From "The Wealth and Progress of New South Wales" by T. A. Coghlan (Sydney 1891), except figures for 1891, which are taken from the 22nd Annual Report of the Deputy Master of the Mint, 1891. (C. 6674, 1892.)

† *See* "Journal of the Institute of Bankers of New South Wales," Part I., vol. i. (Sydney, 1892)

average of the notes received during the year 1891 by these banks across the counter; and a similar return has been prepared by the Commercial Banking Company of Sydney, which three banks do in New South Wales about two-thirds of the entire banking business of this colony. These returns show that for every 100 *l.* of cash paid in this city 33 % consisted of coin, and 67 % per cent. of notes." This would give (on the basis of a note-circulation of 27 *s.* per head, as shown below) an "active" circulation of 13 *s.* 6 *d.* in coin per head of the total population. Thus the total currency in coin and notes amounts to slightly over 2 *l.* per head, a figure which coincides exactly with the estimates independently formed both for South Australia and for Tasmania. It seems probable that 2 *l.* per head, in varying proportions of coin and notes, represents the currency in general circulation, outside the banks, throughout Australia; and it may be added that this figure tallies with the conclusion arrived at for Canada. Perhaps 5 *s.* may be taken as the average per head in silver and bronze.

Bank Notes.

On 23rd September 1840, by the Act 4 Vict. No. 13, the colony of New South Wales made provision "for the periodical publication of the liabilities and assets of banks in New South Wales and its dependencies, and for the registration of the names of the proprietors thereof." This Act required every bank to publish quarterly statements, showing (*inter alia*) the notes in circulation and the coin and bullion in hand.

The tax on notes is 2 % per annum. There is no general Bank Act in New South Wales.

Section 226 of the Companies Act (37 Vict. No. 19) provides that "no banking company claiming to issue notes shall be entitled to limited liability in respect of such issue, but shall continue subject to unlimited liability in respect thereof; and, if necessary, the assets shall be marshalled for the benefit of the general creditors, and the members shall be liable for the whole amount of the issue, in addition to the sum for which they would be liable as members of a limited company."

In the words of Coghlan's "Wealth and Progress of New South Wales," "Banks trading under Act of Incorporation are allowed a note circulation equal to the amount of their paid-up capital and the coin and bullion in store. The banks have in no instance availed themselves to the full extent of their privilege in this regard; indeed, if they were so disposed, such an issue of notes would be impossible, as the currency required for the business of the colony is scarcely more than the value of gold retained in the vaults of the banks, and, at the same time, there is a marked disposition on the part of the general public to use gold in preference to notes for their ordinary transactions. The notes current are not a legal tender; a very necessary condition, as in the present state of the law there is nothing to prevent any company or person issuing notes, provided they can be got into circulation. Indeed, it would appear that the issue of paper

circulation was contemplated by the Companies Act, since it makes notes a first charge on such in the event of companies being wound up. It will be seen from the following statement that the issue of paper by the banks has been stationary for about nine years."

Yearly averages of notes in circulation:

	£.		£.
1871 - -	694,344	1881 - -	1,390,376
1872 - -	789,544	1882 - -	1,614,191
1873 - -	920,620	1883 - -	1,677,146
1874 - -	1,005,639	1884 - -	1,644,469
1875 - -	1,080,088	1885 - -	1,714,095
1876 - -	1,093,862	1886 - -	1,621,090
1877 - -	1,129,279	1887 - -	1,526,096
1878 - -	1,167,519	1888 - -	1,591,500
1879 - -	1,123,123	1889 - -	1,489,153
1880 - -	1,173,663	1890 - -	1,503,404

Roughly, the Banks held 3 *l.* in gold against every 1 *l.* of notes in circulation. For the first quarter of 1891 the note circulation was 1,630,261 *l.*, or 1 *l.* 7 *s.* per head of the total population. If the note-circulation be added to the estimate of coin in private hands, the total "active" currency amounts to 2 *l.* 0 *s.* 6 *d.* per head.

CHAPTER XXIV.

VICTORIA.

IN tracing the history of currency in Victoria, it is not necessary to go back further than the gold discoveries of 1851. Prior to that year this Colony had no currency history distinct from that of New South Wales, the headquarters of administration. The currency was wholly sterling, but a limit of legal tender for silver coins was not in force until, on 18th October 1853, the Governor published in the Colony the Royal proclamation of 16th October 1852 (*see* page 435) which formally made Imperial coins current, and limited the tender of silver to 40 *s.* in any one payment, as in the United Kingdom.

When gold was discovered, the Colony of Victoria was not so prompt as New South Wales in applying to the Imperial Government for the establishment of a Mint. New South Wales had already remitted the money for Mint machinery before the Imperial Government could consider the petition of the Legislative Council of Victoria forwarded by Lieutenant Governor Latrobe on 31st July 1852, praying that a Mint might be established at Melbourne either for the Australian Colonies generally, or solely for the coinage of Australian gold. In the summer of the same year the city of Melbourne petitioned, representing that the produce of New South Wales was not a third of that of Victoria, and that the establishment of a Mint at Sydney, whilst useless to Victoria, would revive "the spirit of discontent so long fostered by the subjection of Victoria" to the senior colony. Though the Sydney coins were ordered to be made current throughout Australasia by the Order in Council and Proclamation of 18th October 1854 (*see* page 441), it was not until 14th July 1857 that, by proclamation of that date, Governor Sir H. Barkly gave effect in Victoria to the Imperial legislation. And in the same year the Colonial Legislature passed the Act 21 Vict. No. 15 making the Sydney coins "current and lawful money within Victoria together with and in like manner as current coins of the realm." (The same provision was repeated in 1864, and again in 1890, as Section 29 of the Banks and Currency Act, 1890, 54 Vict., No. 1164.) Prior to 1857 Sydney gold had been subject to an export duty in Victoria as not being "current coin of the realm." *

Although under the terms of the Treasury Minute of 22nd March 1853,† it was open to Victoria to press for a local Mint, notwithstanding the opening of the Sydney Mint, no action was taken for some years. In the words of Sir H. Barkly on

* *See* the preceding chapter, dealing with New South Wales, with reference to the delay of Victoria in recognising as legal tender the coins struck at the Sydney Mint.

† Printed *infra* at page 436.

16th December 1859,* "It was generally considered, indeed, that Victoria would enjoy nearly all the advantages of a local Mint, without the expenses attendant on its maintenance, which it was anticipated would largely exceed the receipt, so soon as the vacuum caused by the re-exportation of the enormous amount of British gold coin sent to the Australian colonies in the early days of the gold discoveries had been filled up by the Sydney coinage. When however it appeared, by Parliamentary Returns, that, on the contrary, the Sydney Mint was becoming not merely a self-supporting, but a profitable institution, the project was again discussed here (*i.e.*, in Victoria); and looking to the great increase of political power conferred on the gold-fields by a recent Act, altering the electoral divisions, it is not surprising that at the general election a demand for a similar establishment in Melbourne became quite irresistible, as proved by the unanimous assent of both Houses of Parliament to the address now sent." The address in question, which was dated 14th December 1859, prayed not only that a branch Mint might be established at Melbourne, but also "that gold coins issued from such branch of the Royal Mint may be rendered legal currency throughout the British Empire." This latter proposal was rejected by the Home Government at the end of 1860,† but was, conditionally, agreed to by the Imperial Parliament in 1863, though in connection only with the Sydney coins, by the passing of the Imperial Act 26 & 27 Vict. c. 74 (*see* page 442), the principle being, however, extended to all colonial branch Mints in 1866 by the Act 29 & 30 Vict. c. 65 (p. 444.)

While the question of the status of colonial gold coins was being settled, the proposal for a Mint in Victoria remained in abeyance. It was not till 1869 that, the Colony having in 1868 made permanent provision of 20,000 *l.* a year for its Mint by the Act 31 Vict., No. 307,‡ the Order in Council of 7th August 1869 (*see* page 29) was passed, authorising the establishment of a branch of the Royal Mint at Melbourne to strike, under Treasury control, "gold and other coin in accordance with the standard of weight and fineness of the currency of this realm, and of the same design." Also on 7th August 1869 a Royal Proclamation (*see* page 447) was issued, under the provisions of the Imperial Act 29 & 30 Vict. c. 65, declaring the gold coins to be struck at the Melbourne Mint "a legal tender for payments within all parts of Our Dominions in which gold coins issued from Our Mint in London are at the date of the issue of this Our Proclamation a legal tender." This Proclamation was published by the Governor in the "Victoria Government Gazette" of 5th November 1869, and so brought into local operation in Victoria. Although it does not appear that the Proclamation was similarly brought into operation in any other Colony; yet, inasmuch as the Imperial Act itself prescribes that coins specified in Royal Proclamations thereunder shall, "*upon such Proclamation being issued,*" become a legal tender in all Colonies where the British sovereign was then a legal tender, it seems clear that local publi-

* Parliamentary Paper No. 421 of 1862, pp. 81–2.
† Parliamentary Paper No. 421 of 1862, pp. 84–6.
‡ The Act now in force is the Consolidated Mint Act, 1890.

cation of the Royal Proclamation was not essential in order to give legal currency to the new coin in the Colonies affected.

In 1871, by the Royal Proclamation of 24th March of that year (*see* page 453), which was promulgated in the Colony on 21st June 1871, currency was given in Victoria to the new gold coins ordered to be struck at the Sydney Mint.

The Colony had now obtained the formal recognition of the two objects which it had had in view in 1859; and thenceforward no legislation has been passed affecting the metallic currency, with the exception of Imperial provisions for new designs of gold coins and for the withdrawal of pre-Victorian gold.

The new Mint, of which the site cost 8,500 *l.*, and the buildings, &c., 68,350 *l.*, opened on 12th June 1872. The charges made for coinage were low, being only 3 *d.* per oz. for deposits of over 5,000 oz., whereas the Sydney charge at the time was 6 *d.* per ounce standard for deposits of over 1,000 oz., "in addition to the charge of 3 *d.* per oz. imposed by Her Majesty's Proclamation of February 1866 on the coinage of gold." At the end of 1873 (*see* list of charges at successive dates, at page 463) the Mint charge was reduced to 3 *d.* per oz. standard for all deposits over 1,000 oz., and this charge was halved in 1875. Under the regulations of 7th October 1878, which are still in force, the charges are as follows:—

Over 1,000 oz. 1½ *d.* per oz.
Under „ „ 2 *d.*; minimum charge 4 *s.*

These charges are calculated on the gross weight of the deposit before melting. And here it may be remarked that Victorian gold in the crude state is worth as much as 4 *l.* per oz., so that the Mint charge is lighter than it would be if the charge were per oz. standard worth 3 *l.* 17 *s.* 10½ *d.*

The weight of gold brought to the Melbourne Mint between 12th June 1872 and 31st December 1891 was 12,829,772·88 oz., equivalent to a sterling value of 51,352,820 *l.* 11 *s.* 7 *d.* This represents an average receipt per annum of some 658,000 oz., or 2,633,500 *l.*, of which (roughly) ⅛ths was the produce of Victoria itself, and ⅞ths came from New Zealand.

During the same period of 19½ years the Mint issued gold coin and gold bullion in the following proportions:—

	£.	£.
(i.) Coin:		
Sovereigns - - -	45,635,541	
Half-sovereigns - -	555,614	
		45,913,348
(ii.) Bullion - - - - - - -		5,436,599
Gross Total - - -		£. 51,349,947
From this should be deducted the light gold coin remelted at the Mint, viz. - - - -		34,989*
Leaving a Net Total of - - -		£. 51,314,958

* The deficiency on pre-Victorian coins withdrawn was made good out of Imperial funds.

The Mint charges for the same period were as follows :—

	£.
Mint charges on gold - - - - -	88,183
From sale of silver and other sources - -	99,823
Total Revenue - - -	£. 188,006

As the total cost of the Mint since 12th June 1872 to 31st December 1891 has been 299,173 *l.*, whilst the total revenue has only amounted to 188,006 *l.*, the net cost of maintaining the Mint has been 111,167 *l.*, or 5,700 *l.* per annum on an average. For 1891 the net cost to the Colony was 3,612 *l.*

The Deputy Master of the Melbourne Mint has made an endeavour* to estimate the gold coin in Victoria on the basis of the coinage, adding the imports and deducting the exports of gold coin, from 1873 to 1891 inclusive. The "balance apparently retained in the Colony" (in respect of those years) is stated by Mr. Anderson at 7,638,641 *l.* (or 16·91 per cent. of the total coinage during the same period). He adds "the amount actually retained is probably much less than this, for considerable quantities are taken away by passengers for Europe which do not appear in the Custom House Returns, and which probably are not counterbalanced by sums brought in by incoming passengers, the former being only at the beginning and the latter at the end of their journey. Thus in Victoria the amount of all coined metals held by banks on the 31st December 1891 was only 4,086,739 *l.* more than they held on the 31st December 1872, or only 53·5 per cent. of the amount apparently retained in the Colony since that date; and in a Colony where the practice of keeping bank accounts is almost universal, and the circulation of 1 *l.* bank notes very large (the circulation of bank notes being nearly 1 *l.* 10 *s.* per head of every man, woman, and child in the Colony), it is not probable that the amount of gold coin in private hands is very large."

If the above figures are accepted, with the reserve suggested by Mr. Anderson's weighty criticisms, the sum of 7,638,641 *l.* (in gold alone) is equivalent to 6 *l.* 14 *s.* per head of the total population, and if the increased Bank holding of 4,086,739 *l.* be deducted therefrom, the remainder, or 3,551,902 *l.*, works out at 3 *l.* 2 *s.* 3 *d.* per head of "active" metallic currency in private hands. It may well be doubted, however, on analogy with New South Wales, Tasmania, and South Australia, whether the amount of coin in general circulation amounts to one-third of this sum.

In 1873† the banks petitioned for the coinage of silver at the Melbourne branch of the Royal Mint, and the Colonial Government brought the matter before the Imperial Government. Whilst not unwilling to concede the privilege requested, the Imperial Government pointed out the dangers attending the issue

* Twenty-second Annual Report of the Deputy Master of the Mint, 1891 (C. 6674), page 13.

† (Victorian) Parliamentary Paper, No. 208 of 1890.

of token coins, and the practical difficulties connected with withdrawal and inter-colonial relations. For the time the matter dropped. In 1891 it was re-opened by the Premier, Mr. James Munro, who observed * that "the very large production of silver in these Colonies altogether changes (one) aspect of the matter, and renders it desirable now to reconsider the whole question, and the particular difficulties before pointed out by the Lords of the Treasury. A primary motive for re-opening this question is the fact that the present coinage of gold at the Melbourne Mint —the produce of which goes into the general circulation of the Empire—is carried on at a loss, while the coinage of silver supplied for circulation here yields a profit to the Imperial authorities." After showing that the annual profit on silver to the Imperial Government was about 11,000 *l.* a year, and the annual loss to the Colony on gold about 5,000 *l.*, Mr. Munro, whilst deprecating the coinage of a mere Colonial token, formulated proposals for dealing with the difficulties of over-issue, withdrawal, &c. The matter was brought before the Imperial Government, but no final decision has been arrived at.

Bank Notes.

The question of safeguarding the local issues had been considered in 1887 by the Royal Commission on the banking laws of the Colony.† Rejecting a proposal that all issues in the Colony should be fully covered by investment in Colonial Stocks,‡ on the ground that such investment "would involve the withdrawal of 1½ millions of money from the working capital of the country without corresponding advantage," the Royal Commission concluded that "the essential thing to be done is to give the community an assurance of absolute safety for the paper currency. This will be adequately accomplished, as all witnesses attest, by making the notes a first charge on the assets." The Commission also recommended that all issuing banks should have a paid-up capital of 125,000 *l*, and that it should be made a misdemeanour on the part of any bank to deposit its notes as security for advances.§

The recommendations of the Royal Commission were embodied in the Banks and Currency Amendments Statute 1887,‖ which (i) made bank notes issued in Victoria a first charge on the assets in Victoria in case of the winding-up or insolvency of the issuing bank; (ii) requires the issue to be *bonâ fide*, and makes the pledging of notes as security for an advance a misdemeanour; and (iii) prohibits all issues, unless (a) by a company or firm having a subscribed capital of 250,000 *l.*, and a paid-up capital of not less than 125,000 *l.*; or (b) by an individual banker having a capital of not less than 125,000 *l.* These provisions were re-enacted in the consolidating and amending Banks and Currency Act, 1890

* (Victorian) Paliamentary Paper, No. 81 of 1891.

† (Victorian) Parliamentary Paper, No. 65 of 1887.

‡ This plan of a purely fiduciary issue, which originated in the United States, has since been adopted by the Cape (q.v.).

§ Cf. Canada.

‖ The original Banking Act (27 Vict., No. 194) was passed in 1864.

(54 Vict., No. 1164), as was the 2 per cent. tax on the average circulation originally imposed in 1876.

The note circulation of Victoria on 31st December 1891 was 1,414,216 *l.* (or about 25 *s.* per head of the population), and the banks on the date held coin and bullion to the total amount of 7,124,497 *l.*, or nearly 6 *l.* 6 *s.* per head of the population,—as shown in the following Table :—

BANK.	Notes.	Coin.	Bullion.
	£.	£.	£.
Australasia	181,783	1,030,683	31,445
Union, of Australasia	93,835	727,104	113,838
New South Wales	101,974	838,228	13,485
Victoria	173,154	673,884	33,847
London Chartered, of Australia	192,225	465,523	11,318
English, Scottish, and Australian Chartered	47,019	358,887	—
Colonial, of Australasia	188,483	330,871	22,597
National, of Australasia	172,310	597,109	30,384
Commercial, of Australia, Limited	196,213	921,980	31,985
City of Melbourne, Limited	67,631	395,823	31,741
Federal, of Australia	23,713	145,369	—
Mercantile, of Australia, Limited	12,420	96,298	—
Royal, of Australia, Limited	6,484	41,632	—
New Oriental, Limited	—	17,471	1,938
South Australia, Limited	1,113	83,576	—
New Zealand	—	70,697	—
Metropolitan, Limited	5,896	6,861	—
TOTAL £.	1,414,216	6,801,989	322,508

CHAPTER XXV.

TASMANIA.

(1803.)

THE early currency of Van Diemen's Land, as this Colony was originally called, was identical with that of New South Wales.* The standard coin was the Spanish dollar, rated at 5 *s.* currency; but the bulk of the circulatory medium was composed of the promissory notes of private individuals. In his evidence before the Committee of the Legislative Council of 1835 Mr. Gellibrand stated that in 1824, "and for some years afterwards, the general circulation consisted of dollar notes of private individuals, and of notes so low down as 6 *d.* . . . The Spanish dollar passed at 5 *s.* in mercantile transactions; the public servants were paid it as 4 *s.*; the soldiers at 4 *s.* 2 *d.*; the Sheriff would only take it at 4 *s.*"

Such were the unsatisfactory conditions of currency which led the Council in 1826 to pass the Act No. 3 of 7 Geo. 4, which prohibited the issue of notes of a less denomination than 20 *s.* The title of the Act declares that it was intended "to promote the circulation of sterling money of Great Britain"; but this object (which was evidently suggested by the Imperial Order in Council and Proclamation of 1825, *see* page 23) was defeated by the provision in the Act itself that Spanish dollars, which "by common usage have hitherto passed current within the Island as money, and have been generally paid and received at 5 *s.* each," should pass as the equivalent in sterling of 4 *s.* 4 *d.* each, a mistaken rating borrowed from the Imperial legislation.

From the evidence taken by the Committee of Council in 1835 it appears that the effect of the Act was to drive out the more worthless paper, and "for the last eight years we have had a metallic currency both of British silver and dollars, *but principally of the latter*," the supremacy of the Spanish dollar being ensured by its being rated at 4 *s.* 4 *d.* sterling, whereas its intrinsic value was only about 4 *s.* 2 *d.* The Committee reported that the amount of British specie in circulation was wholly inadequate, "by far the greater part of it being locked up either in the military chest or in the three Banks at Hobart Town." They pointed out that, in order to buy bills on the Treasury in London at three per cent. premium (*see* page 25), British silver was eagerly sought for at a premium of one to two per cent., and

* Hence the "holey dollar" and "dump" of the senior colony were familiar in Tasmania in the early years of this century.

that it was a question whether even dollars were not being exported. The Committee recommended the legalisation of the sicca rupee (at 2 *s.*), but not of the Bombay or Arcot rupee, or of the U.S. silver dollar. Not only had they no information concerning the latter coin, but "it does not appear to them that there is any reasonable prospect of such a commercial intercourse being established between this Colony and the North American States as to render it expedient (for the present at least) to legalize the circulation of their dollars in Van Diemen's Land." The outcome of the Committee's recommendations was that on 2nd September 1835 a local Act was passed making the sicca rupee legal tender at 2 *s.* This Act was disallowed by the Home Government, and the Colony was left to a circulatory medium mainly composed of dollars. The only change introduced at this date was the legalisation of the South American dollar, which had arisen in the place of the old Spanish dollar after the revolt of the Spanish Colonies in America. The Governor's Proclamation of 1st November 1834 had ordered that the dollar of the South American States should be received and pass in the Public Departments at 4 *s.* 4 *d.* on a par with the old Pillar dollar of Spain; but, as the banks refused to regard the new coin as a legal tender, an Act was passed on 28th November 1838 to legalize "the dollars of the South American States and of Mexico." The Home Government pressed for the amendment of this Act on the grounds that it neither specified the South American States, nor declared the proper weight and fineness of the coins. The final result was that in 1842, following the example set in practice by the trading community of New South Wales some thirteen years before, the Colony passed the Act 6 Vict. c. 7, "to repeal the laws now in force in this Island by which Spanish dollars, and the proportional parts thereof, and South American and Mexican dollars are made a legal tender therein." The only coin now legally current in the Colony was sterling.

Up till 1853 there was no limit of legal tender for British silver. A 40 *s.* limit was, however, imposed, in consequence of the gold discoveries of 1851,* by the Order in Council and Royal Proclamation of 16th October 1852 (*see* page 435), which was published and brought into operation in the Colony on 19th September 1853 (see *Hobart Town Gazette* of 20th September). By Orders in Council and Royal Proclamations of 18th October 1854, and of 14th January 1871† (*see* page 453), the gold coins of the Sydney Mint were declared a legal tender in

* According to the 22nd Annual Report of the Deputy Master of the Mint, the total value of the gold received from Tasmania for coinage at the two Australian Mints up to the end of 1891 was as follows :—

	£.
Received at Sydney	44,817
„ „ Melbourne	2,024,423
	£. 2,069,240

† This proclamation was published for general information in Tasmania on 28th July 1871.

this as in other Colonies in Australasia. The coins of the Melbourne Mint were declared a legal tender by Royal Proclamation of 7th August 1869 (*see* page 29), under the provisions of the Imperial Act 29 & 30 Vict. c. lxv. (the Colonial Branch Mint Act, 1866). From that day forward the only local legislation affecting the metallic currency of Tasmania has had reference to copper and bronze coins of the United Kingdom. By the Act 39 Vict. c. 15, the old British copper coins were demonetised, and British bronze coins were declared a legal tender, the latter provision being carried out by Proclamation of 11th October 1875 (*see* "Gazette" of 12th October). The metallic currency consists exclusively of Australian and British gold, and of British silver and bronze.

It is difficult to estimate with any degree of exactness the amount of coin in general circulation, outside the banks. But the insular position of Tasmania lends greater value to its import and export statistics than to those of other Colonies in Australasia. From 1871 to 1890 (inclusive) the statistics relating to gold coin show a net surplus of imports amounting to 800,623 *l.*, or at the rate of 40,000 *l.* a year. This total which, by itself, exceeds the banks' holdings (see *infra*) by 87,000 *l.* (or over 10 *s.* per head of the total population), is exclusive of (i.) gold in the Colony prior to 1870, and (ii.) of all silver and bronze coins. According to the 20th Mint Report, the net imports of silver and bronze coin into Tasmania since the beginning of 1872 amount to 28,277 *l.*, or nearly 4 *s.* per head; and it is difficult to conceive that the amount of gold and other coin in the Colony prior to 1871 did not amount to 30,000 *l.* On this hypothesis the "active" circulation of coin is probably about 1 *l.* a head, of which two-thirds may be conjectured to be in gold coin. It should be added that this calculation (which, with the note-circulation, gives an active currency of 2 *l.* per head) accords with the estimate formed by Sir Henry Ayers with respect to South Australia, and may perhaps be taken as fairly representative of Australian Colonies generally (*see* New South Wales).

Bank Notes.

Section ccxiii. of the Consolidating and Amending Act 33 Vict., No. 22 (Tasmanian Statutes, I., 251), provides that "No Banking Company claiming to issue notes in this Colony shall be entitled to limited liability in respect of such issue, but shall continue subject to *unlimited liability* in respect thereof, and if necessary the assets shall be marshalled for the benefit of the general creditors, and the members shall be liable for the whole amount of the issue, in addition to the sum for which they would be liable as members of a limited company."*

By the Act 46 Vic., No. 34, bank notes are not to be issued without a licence, and bankers may issue and re-issue unstamped notes on rendering accounts and paying a composition.

* Cf. the chapter on New South Wales for a similar provision.

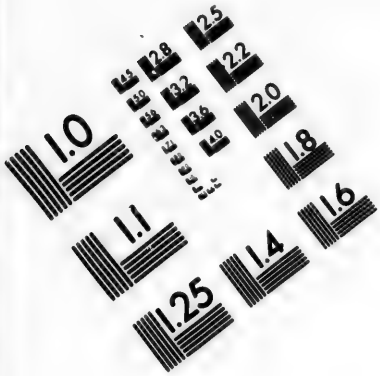

IMAGE EVALUATION
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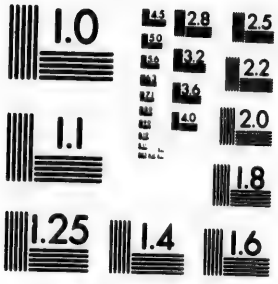
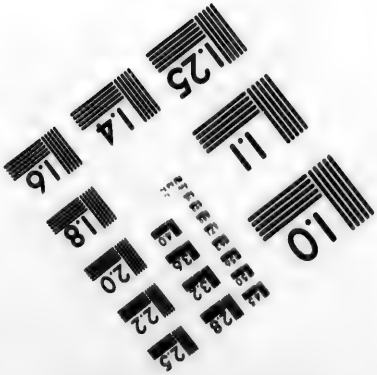




2.8
2.5
2.2
2.0
1.0

At the end of 1891, according to the certified returns published in the *Hobart Gazette*, there were four banks of issue in Tasmania circulating notes to the total amount of 149,075 *l.*, with a joint holding of specie and bullion at the same date of 713,010 *l.*, as follows :—

Bank.	Notes.	Coin and Bullion.
	£.	£.
Bank of Australasia - -	25,453	194,849
Commercial Bank - -	66,636	205,919
Bank of Tasmania - - -	39,624	60,351
Union Bank of Australia -	17,362	251,891
Total - - - - £.	149,075	713,010

As the enumerated population of Tasmania on 31st March 1891 was 146,667, this issue is equivalent to a circulation of 1 *l.* 0 *s.* 4 *d.* per head. This average is the lowest of all the Australasian Colonies.

CHAPTER XXVI.

South Australia.

(1834.)

The most remarkable feature of the currency of South Australia has been the invasion of the coining Prerogative by the Colony in striking the so-called "Adelaide Sovereign." In order to find a precedent, it is necessary to go back to the middle of the 17th century, when the "Plantations" of Maryland and Massachusetts temporarily set up mints of their own, as mentioned in Chapter I.

The story of this coin may best be told in the words of the Report of the Adelaide Chamber of Commerce for 1852:—"For more than two years past there had been considerable over-trading, which was beginning to entail its usual consequences, such as a glutted market, an undue amount of paper afloat, a system of renewing bills, and of mutual accommodation, discounting on change at usurious rates of interest, and all those shifts which are generally premonitory of a coming crash. . . . . But the crisis which now threatened the Colony was incalculably aggravated by the loss of our population. . . . . There was a general arrest of all business. . . . . To add to the panic, the banks were subjected to a steady and alarming drain of specie.* Every emigrant carried away his savings in gold. The banks, being compelled to redeem their notes in specie, were under the imperative necessity of restricting their issues, and consequently their discounts, if they would keep faith with their creditors. . . . At this juncture, as if to mark with greater emphasis the signs of the times, a vessel arrived at Port Adelaide from Melbourne with a number of our colonists on board, who, after a few weeks' successful digging at the gold-fields of Victoria, had brought back with them to this colony gold-dust to the value of 50,000 *l.* This they were desirous of converting into money, but such was the straitened condition of the money market, that purchasers could not be found for it. A portion of it was eventually sold at 55 *s.* to 56 *s.* per oz., the price at Melbourne being 60 *s.* at the time, and the remainder was carried back to Victoria. It was at this time, when ruin was staring everyone in the face, and when

* The total amount of coin in the colony on 31st December 1851 was estimated at 128,114 *l.*, of which 114,114 *l.* was in the banks, and only 14,000 *l.* in circulation.

there had already been unmistakable symptoms of an approaching run on one of the banks," that the Chamber of Commerce suggested the scheme of a Government Assay Office for the purpose of assaying and stamping gold ingots to serve as a metallic basis for the issue of notes by the banks.* This scheme, which was unanimously adopted at a Special General Meeting of the Chamber on 19th January 1852, was submitted by memorial and deputation to the Governor, who forthwith convened the Legislative Council. Meeting on the 28th January, the Council at once passed "The Bullion Act" (No. 1, of 1852). By this Act it was provided:—(i.) that an Assay Office should be established by the Colonial Government to melt, assay, and stamp gold, at a charge of 1 per cent.; (ii.) that owners of such stamped gold might demand notes from the banks against their gold at the rate of 71 *s.* per oz. standard, the gold in such case to be handed over by the Assay Office to the banks direct; (iii.) that bank notes were to be a legal tender, except by the banks; and (iv.) that the Act was to expire after 12 months.

"The effect of this measure," observed the Chamber of Commerce, "was little short of miraculous. Credit and confidence were almost instantaneously restored; the extreme tightness of the money market was relieved. No one could have foreseen that, in less than six months, we would not only be rescued from impending ruin, but that our condition would be infinitely more sound, healthful, and prosperous than ever it had been before; and yet such is indisputably the case." Comparison of the Bank Returns immediately before and six months after the passing of the Bullion Act, showed that "in the brief space of six months the paper under discount had fallen from 606,826 *l.* to 387,048 *l.*, or nearly one-half; the deposits had increased from 211,007 *l.* to 451,911 *l.*; and the (note) circulation from 84,605 *l.* to 233,025 *l.*;" while the stock of gold had risen from 97,600 *l.* in coin at the beginning of the period, to 524,761 *l.* in coin and bullion at its close.

The Government notice of 4th February 1852 (*see* "South Australian Government Gazette," of 5th February) provides exclusively for "receiving gold dust for assay," and stamping the "weight, purity, and value thereof upon the ingots of gold, as required by the Act." So far, it will be observed, the Colony had not proceeded to strike *coins* of its own.

The neighbouring Colonies (according to the Chamber of Commerce) viewed the South Australian Act with disfavour, representing that its primary object was to attract gold by offering so high a price, and contending that the circulation of the stamped ingots were a depreciation of the currency. But this latter argument assumed as the standard the Victoria price of 3 *l.* per oz. (for gold-dust worth 4 *l.* per oz. in England), and was refuted by the fact that in the middle of 1852 95 *l.* in South Australian currency would buy a bank bill on London for 100 *l.* The

* The main credit for the scheme is attributed to Mr. George Tinline, then acting-manager of the Bank of South Australia.

truth was that the (relatively) liberal price and facilities offered by South Australia cut down the extravagant profits originally extracted from gold-diggers by banks and speculators, and so served to attract about a million sterling in six months, in addition to ensuring the return of most of the emigrants from the Colony.

Just before the Bullion Act expired, at the time when the banks were preparing to meet the reviving obligation to cash their notes in *coin* only, the rising market price of gold-dust enabled the banks actually to *raise* their buying price for the crude gold, and to offer 74*s.*, instead of 71*s.*, per ounce. Consequently, though the subsequent Act No. 14 of 1852 had provided for the continued assay of gold, and for the stamping of one pound tokens,* in lieu of ingots, at the old price of 71*s.* per oz., the Assay Office stood idle at the opening of the year 1853. Finally, by the Governor's Proclamation of 3rd February 1853,† it was closed as from the 17th February. From its opening on 10th February 1852 to its closing a twelvemonth later, the Assay Office had received in all the value of 1,529,410*l.* at 71*s.* per oz. standard. Thus it was only the rising price of gold dust which put a stop finally to the invasion of the coining Prerogative of the Crown by the resourceful energy of South Australia. For, by the operation of the laws of supply and demand, the Assay Office had closed its doors before the Imperial Government had had time to disallow the continuing Act, No. 14 of 1852, an Act which could not be defended on those grounds of urgency and exceptional circumstances, which had justified (as a temporary measure) the passing of the earlier Act of the same year. Had the Assay Office continued to turn out "Tokens" weighing 5 dwts. 15 grs. standard, the pound currency of South Australia would have been worth nearly 12 per cent. more than the British sovereign, a relation which largely explains the selling of bills on London at 5 per cent. discount in Adelaide in 1852, at a time when a buyer of a similar bill in Melbourne had to pay 110*l.*

With the exception of the above coining operations, the currency of South Australia has little or no history. It does not

* The Government Notice of 9th December 1852 (*see* "Gazette" of 16th December 1852) provided that "upon the One Pound Gold Tokens about to be issued there shall be stamped the device next hereinafter set forth, that is to say—On one side the Imperial Crown with the date '1852' below it, surrounded by an ornamental border, outside of which are inscribed the words 'Government Assay Office, Adelaide'; on the other side the words 'Value One Pound,' surrounded by an ornamental border, with the inscription 'weight, 5 dwt. 15 grs., 22 carats.'" The Act provided also for 2*l.* and 5*l.* "tokens." Dies were actually struck for the 5*l.* token, but not for that for 2*l.* *See* pp 239 and 240 of Report of Royal Commission on the establishment of a State Bank and Royal Mint (Adelaide, 1889), which gives figures of the several dies, and, amongst other details, states the number of the 1*l.* tokens issued at 24,048, and shews a total net profit of 3,042*l.* for 1852-3 on the Assay Office. Assays by the Royal Mint made the token worth 1*l.* 1*s.* 11*d.*

† *See* "Gazette" of 10th February 1853.

appear that a local proclamation was issued, bringing into local operation the Imperial Order in Council and Proclamation of 16th October 1852 (*see* page 435), establishing sterling and limiting the legal tender of silver to 40*s.* in any one payment. Nor have local proclamations been traced, giving currency in the colony to Sydney gold coins in 1854 (*see* page 442).

On 7th June 1871, however, the Royal Proclamation of 14th January of that year was promulgated in the Colony, and so Sydney gold coins of the new design were made legally current. As gold coins struck at the London Mint were not a legal tender in South Australia in 1869, the Royal Proclamation of 7th August of that year (*see* page 447) did not give legal currency here to Melbourne gold. But the sole metallic money in circulation is sterling.

In 1888 a Royal Commission was appointed (which reported in 1889) to consider, *inter alia*, the question of establishing a local Mint; but the evidence taken led the Commission to report against it, as entailing unnecessary expense.

As regards the amount of coin in general circulation, Sir Henry Ayers, Chairman of the Trustees of the Savings Bank of South Australia, stated in evidence before the Royal Commission of 1888 that "the circulation of money among the people amounts, in coin and notes, to (say) 2 *l.* per head of the population." On this basis, seeing that the average note-circulation is 1 *l.* 8 *s.* 8 *d.* per head (as shown, *infra*), the amount of "active" coin (silver as well as gold) would stand at only 11 *s.* 4 *d.* per head of the total population (320,000), or some 181,000 *l.* in all. These figures are irrespective of the specie held by the Banks, amounting to 1,528,020 *l.* on 31st December 1891, according to the official banking statistics.

Bank Notes.

The public legislation of South Australia, with regard to banks, is limited practically to the Banking Companies Act, 1863 (26 & 27 Vict. No. 25), which provides that "Every company, firm, or individual publicly engaged in the ordinary business of banking by receiving deposits *and issuing bills or notes*, payable to the bearer, at sight or on demand," shall (i.) prepare a weekly statement of assets and liabilities, and (ii.) prepare therefrom, and publish a half-yearly statement, one item in which is "Notes in Circulation." By the amending Act, No. 5, of 1875, the statement was required to be made quarterly. Under Royal Charter, or private Act, all issuing banks may circulate notes of a denomination not less than 1 *l.*, as is the case in all other Colonies of Australasia.

On 31 December 1891 the total amount of notes in average circulation in South Australia stood at 459,082 *l.*,* equivalent to

* For 1851 it was 70,580 *l.*

1 *l.* 8 *s.* 8 *d.* per head of the total population, the following being the constituent details of the total issue (which is taxed 2%) :—

Banks.	Notes in Circulation.		
	£.	*s.*	*d.*
Bank of South Australia - - - - -	107,631	7	8
Bank of Australasia - - - - -	33,618	4	7
Union Bank of Australia - - - -	17,228	3	11
National Bank of Australasia - - -	129,246	19	3
English, Scottish, and Australian Chartered Bank - - - - - - -	41,441	7	8
Bank of Adelaide - - - - - -	52,155	—	—
Bank of New South Wales - - - -	39,381	16	1
Commercial Bank of Australia - - -	21,402	18	6
Bank of New Zealand - - - - -	3,388	16	11
Fedral Bank of Australia - - - -	13,587	4	7
Total Averages - - -	459,081	19	2

The Royal Commission of 1888 was appointed to enquire into the policy of establishing not only a local Mint, but also a Government Bank for the province of South Australia. The Commission reported on this point, as follows:—"The question of establishing a Government Bank has so wide a scope, and involves such exceedingly grave issues; upon which very few financial experts or students of political economy are as yet agreed; that we are unable to recommend the adoption of the proposition 'That a Government Bank should at once be established.' We have no example or experience such as might be supposed to be afforded by the existence of a State Bank in in full development under conditions precisely similar to those that pertain to this province." The Commission proceed, however, to "call attention to the fact that the aggregate note circulation, the issues of ordinary banks, freely circulates in the community. The effect of this currency is that the public lend at what is equivalent to a very low rate of interest, to these banking institutions, in return for the conveniences they afford, a sum of money nearly equivalent to the amount of the note issue. It may be easily understood that the amount of the note issue thus loaned must be of considerable advantage in supplementing available capital and facilitating financial operations. It is asserted in evidence that political economists who treat of the subject of a paper currency, agree that all profits on the note issue in any country belong as a matter of right, to the State, and not to private individuals, who may, for the most part, be absentees." And though the Royal Commission did not see its way to report-

ing in favour of a Government Bank, yet it advocated a limited State Issue in the following words: "The Government could with advantage to the general administration of public affairs, and with relief to the taxpayer, issue a paper currency, by the conversion of the imprest order system into a systematic issue of Treasury notes, such notes being of fixed values, from 5*s.* up to 10*l.*; and the same being made convertible, and a legal tender for the payment of salaries and such Government obligations as may arise within the limits of the province. These notes should be received in payment of taxes and debts due to the State. It might be arranged that for every 1,000*l.* worth of Treasury notes issued there should be a deposit or reserve of Government bonds to a corresponding amount, provided always that Parliament shall determine the issue of such Treasury notes within a safe and reasonable limit. . . . . It may be that various objections will be raised to the issue of a State paper currency, even though in the modest form of Treasury notes, as there will necessarily be a conflict of interests, and special privileges are usually held with a tight grasp. But we take the liberty to advance the assertion that the interests of the State are in all cases paramount, and that whatever increment of advantage there may result from a system supported and permitted by the people should be secured for their benefit." Nothing appears to have come of the proposed system of Treasury notes.

CHAPTER XXVII.

QUEENSLAND.

(1859.)

THIS Colony was not separated from New South Wales until 1859, *i.e.*, subsequently to the passing of the New South Wales Currency Act of 1855, which (i.) declared British or Sydney gold the only (unlimited) legal tender in the Colony; and (ii.) imposed a limit of 40 *s.* on the tender of silver (*see* page 254). Consequently, even from a date prior to its separation, the system of currency legally in force in Queensland was that of Great Britain, with Sydney sovereigns and half-sovereigns admitted to concurrent tender.

In 1869 provision was made (prospectively) for the currency of Melbourne gold coins in sterling-using Colonies, by the Royal Proclamation of 7th August 1869 (*see* page 447), issued under the provisions of the Imperial Colonial Branch Mint Act of 1866 (*see* page 444). As British gold was a legal tender in Queensland in 1869, Melbourne gold was admitted to tender in this Colony by the Royal Proclamation (*see* page 29).

In 1871 the Royal Proclamation of 14th January (*see* page 453) made provision for the currency of Sydney gold coins of the new design "from and after the promulgation of this Our Proclamation by the Governor." The Royal Proclamation was published in the Local Gazette of 17 June 1871.

Bank Notes.

The New South Wales Act respecting banking in force a the date when Queensland was made a separate Colony, was the Act of 1841 (4 Vict., No. 13), which required all banks to publish quarterly Statements of assets and liabilities, showing (*inter alia*) the notes in circulation, and the coin, &c., in hand. This Act still remains in force in Queensland, as in New South Wales, and applies to all banks, whether under Royal Charter or Colonial Act.

The chartered banks doing business in the Colony are governed by the terms of their charters, which were modelled on the lines laid down by the Colonial Banking Regulations (*see* page).

For the regulation of joint-stock banks, Queensland passed the Companies' Act of 1863 (27 Vict. No. 4), which provided, on the lines laid down in the United Kingdom, that—

"No banking company claiming to issue notes shall be entitled to limited liability in respect of such issue, but shall continue, subject to unlimited liability in respect thereof, and, if necessary, the assets shall be marshalled for the benefit of the general

creditors, and the members shall be liable for the whole amount of the issue in addition to the sum for which they would be liable as members of a limited company." Half-yearly Statements must be published, under the provisions of Section 43 of the same Act of 1863.

Prior to 1866 schemes for the issue of "inconvertible Legal Tender Notes" found considerable favour in the Colony, but, fortunately, were not carried out in practice. In 1866 a modified scheme for a State Issue was laid down by the Act 30 Vict., No. 11. The latter Act gave the Colonial Government power to issue Notes (which were not to be a legal tender) for sums in pounds sterling, payable in specie on demand at the Treasury; the issue was limited to the amount of coin and Treasury Bills (of four years' currency, issued under Act No. 10 of the same year) for the time being in the hands of the Colonial Treasurer, and coin was to form at least one-third of the total amount of coin plus Treasury Bills so held as a reserve against the Notes. The immediate object of this enactment was "to render the contemplated produce of the Treasury Bills more immediately and conveniently available;" it was also described at the time as "the thin end of the wedge," and the first step towards establishing a Government Bank of Issue. It would not appear that the success of this temporary measure was sufficient to encourage its permanent adoption, as the Treasury Bills Act of 1869 dropped the special provisions of the earlier Act.

Bank notes are exempt from duty under Section 9 of the Act 30 Vict., No. 14, provided an annual composition is paid at the rate of 3 per cent. on the average circulation. This rate is the highest exacted by any of the Australasian Colonies.

The "Government Gazette" of 20th February 1892 gives the following particulars, for the quarter ended 31st December 1891, of the notes issued, and the specie held, by the 11 banks of the Colony:—

BANK.	Notes.	Coin.	Bullion and Stamp Account.
	£.	£.	£.
Bank of Australasia	34,395	103,087	18,321
Union Bank of Australia (Limited)	38,952	132,024	28,026
Australian Joint Stock Bank	71,505	218,607	22,780
Commercial Banking Company of Sydney	40,715	149,208	—
Bank of New South Wales	79,255	334,501	19,950
Queensland National Bank (Limited)	298,198	642,153	216,339
London Chartered Bank of Australia	11,510	39,801	4,350
Commercial Bank of Australia (Limited)	2,909	50,233	—
Royal Bank of Queensland (Limited)	32,388	79,662	22,321
Bank of North Queensland (Limited)	23,486	21,257	14,306
English, Scottish, and Australian Chartered Bank.	3,553	14,989	—
TOTAL £.	636,846	1,785,522	346,393

Taking the population in round figures at 400,000, the above note-circulation is equivalent to nearly 1 *l.* 12 *s.* per head.

There are no precise data on which to calculate the coin in "active" circulation in the Colony. Analogy with New South Wales, South Australia, and Tasmania, suggests that, taking notes and coin together, the amount of currency in general circulation (*i.e.*, excluding the banks' holdings) should be about 2 *l.* per head of the total population. It is shown above that the amount of notes in circulation per head is 1 *l.* 12 *s.*, which would leave, on the above basis, only 8 *s.* per head in coin. If, on the other hand, the proportion of coin to notes be taken on the New South Wales ratio of 1 to 2, the amount of coin per head in Queensland would work out at 16 *s.*, making a total currency, in coin and paper, of 2 *l.* 8 *s.* for every man, woman, and child in the Colony.

BRITISH NEW GUINEA.

This Territory was constituted "a separate possession and Government," by Letters Patent of 8th June 1888 (*see* Parliamentary Paper c.—5564. On 15th November 1889, the local Ordinance No. 6 of 1889 was passed adopting (i.) certain specified Acts and Statutes of the Colony of Queensland, and (ii.) all Imperial Statutes and Laws in force in Queensland on 17th September 1888. But, as no reference was made to Royal Proclamations in force in Queensland, and as there were in Queensland no Statutes concerning coins to adopt, this Adopting Ordinance did not establish any legal currency; nor does it appear that any currency legislation has taken place in this new Possession.

CHAPTER XXVIII.

WESTERN AUSTRALIA.

(1829.)

ON 18th October 1830 Lieutenant Governor Stirling reported as follows, respecting the earliest currency of this Colony :—"In the absence of specie, I have been forced to issue in payment" (of Government expenditure) "Promissory Notes. These have been a beneficial temporary substitute for a better currency ; but I trust the continuance of the practice may soon become unnecessary by the receipt of specie from England." The demoninations of money and, apparently, the few coins current, were sterling ; dollars do not appear to have formed part of the early currency of Western Australia.

On 2nd September 1831 a memorial of the inhabitants represented "the money resources of the settlers have been exhausted," and proposed, "as the most effectual remedy," that, on the lines of the Lombard Bank at the Cape, a bank should be established at the Swan River, "from which sums of money may be advanced at a moderate rate of interest, upon the security of the land, stock, crop, or other property of the individual requiring such advance." So, also, on 2nd April 1832, Captain Stirling reported that "the greatest evil attached to the present lot of the settlers in this country in their want of money. There is a considerable amount of property in the hands of some persons ; but they cannot convert it into money. It has, in fact, at present no convertible value ; nor can these persons maintain or extend their cultivation without."

Early in 1832 a Commissary arrived with 5,000 *l.* in cash. He also raised money locally by sale of bills, but this probably indicates the presence rather of Promissory Notes than of specie.

In 1833 Governor Stirling stated that a previous issue of "Local Notes" (probably that of 1830), had been an unavoidable necessity. "The notes were prepared in the Secretary's office, numbered and registered ; and, when signed and countersigned, by the Governor and Colonial Secretary, they were transferred to the Treasurer as cash." Unfortunately, the Colonial Secretary's clerk "employed to write the notes, availed himself of the confidence reposed in him ; and, as it subsequently proved, he prepared duplicates of a great many of the numbers to which he attached forged signatures. . . . On calling in the notes in the course of last year, it was discovered that the Colonial Treasury had been thus defrauded to the amount of 288 *l.*"

On 13th May 1833 the merchants and traders of Fremantle memorialised the Governor respecting the "great inconvenience

arising from the scarcity of silver and the difficulty of obtaining Treasury Bills in exchange for the Notes of P. Brown, Esq., now in circulation." They asked for the issue of Treasury Bills "to the amount of 1,000 *l.*, taking as security the before-mentioned Notes, accompanied by such other additional security as may be required in the present emergency. For the stability of the Notes (they added), we have to express our entire confidence." The Governor refused to issue the Bills; but informed the Colonial Office that Mr. P. Brown was withdrawing his notes, "a step from which much public inconvenience and no little private distress are generally anticipated." From the records of 1835 it appears that in some instances, even duties were received by the Colonial Government in private Promissory Notes; as a result of "the absence of specie between the latter part of 1832 and the beginning of this year." At a public meeting held at Perth on the 16th February 1835, resolutions were passed in favour of the establishment of a Representative Assembly and a Bank, and also of the abolition of the police. "In my opinion," said the Governor, "the immediate destruction of the Colony would be the consequence of granting them the objects of their desires."

Once, again, the Colonial Government appears to have issued Notes of its own. For, in 1835, the Local Commissary stated that "Local One Pound Notes, issued as a temporary expedient to carry on the public service" were indispensable, owing to "the very limited quantity of specie received for Bills on the Treasury;" he added that "the quantity of silver which has been, and still is, carried out of the Colony," would prevent him from withdrawing the Notes from circulation, immediately.

The Commissary's balance on 8th October 1835 was made up as follows:—

	£.	*s.*	*d.*
In gold	148	–	–
„ (1 *l.*) Notes	214	–	–
„ "Vouchers paid out of the Colonial Fund"	99	6	–
„ "Vouchers paid out of the Commissariat Chest"	221	14	1
„ British silver, &c.	271	2	6¼
£.	954	2	7¼

The modern current history of this Colony may be regarded as dating from 17 December 1853,* when the Proclamation under the Order in Council of 16 October 1852 (*see* p. 435) was published

* *See* "Government Gazette" of 20 December 1853. The Order in Council had been published for general information on 19 September 1853 (*see* "Gazette" of 4 October 1853), with a notification that the Proclamation thereunder would be promulgated three months later. "Pending such promulgation the Commissariat will give gold for silver coin to such persons as may wish to effect the exchange."

locally, making "the coins of our United Kingdom current in the manner directed in the several Acts of Parliament which regulate the currency of the same," and placing a 40 *s.* limit on the legal tender of silver.

On 26 July 1856 the gold coins issued by the new Mint at Sydney were made legal tender by Proclamation giving effect to the Imperial Order in Council and Proclamation of 18 October 1854 (*see* page 441); and on 13 June 1871 the Governor published, for general information in the Colony, the Royal Proclamation of 14 January 1871 (*see* page 453), giving currency to the new gold coins to be struck at the Sydney Mint. Melbourne gold was made current by Royal Proclamation of 7 August 1869, issued under the provisions of the Colonial Branch Act 1666 (*see* page 447).

Bank Notes.

In 1837, the Act 8 Will. IV., No. 1, made it "lawful for any number of persons united in copartnership to carry on the trade of bankers in Western Australia, and to make and issue their bills or notes," &c. Sworn Returns were to be transmitted quarterly to the Colonial Government, showing the average amount of notes in circulation, &c.

To this Act the Home Government objected, on the ground that it did not prohibit notes of a less denomination than 1 *l.* "Such a prohibitory clause," replied Governor Hull, "already formed part of the Western Australian Bank regulations. In obedience, however, to instructions, I have the honour to enclose an Act (2 Vict., No. 9), "passed in the last Session of the Legislative Council rendering the issue of any Bill, or note, payable on demand, or otherwise, for a less amount than 20 *s.* illegal. To have introduced a clause to the same effect into the original Act would have required the latter to be reingrossed and reprinted, the expense of which, with our very small means and the enormous price of all labour, especially of an extra-official kind, was with the Council a subject of serious consideration.

Untouched by this representation, the Home Government pressed for further amendment, in order to prohibit notes of over 1 *l.* from being issued for "other sums than integral numbers of pounds sterling," as having "a strong tendency to exclude coin from ordinary circulation." This object was secured by the amending Act (4 Vict., No. 5), which provided that notes should not be "for any less amount than 1 *l.* sterling, or for any larger amount which expresses any fractional part or parts of a pound sterling."

On 22 July 1842 the Governor stated that there were "two banks in the Colony; one a branch of the Bank of Australasia, established by Royal Charter; and the other the Western Australian Joint Stock Bank, established and supported entirely by this Colony," which arose under the local Act of 1837, 8 Will. IV., No. 1. The average issue of this latter bank in 1841 were 2,261*l.*, the deposits being 4,878 *l.*

THE following is a return of Coin and Bullion held by the Banks in Western Australia, together with the Notes in circulation, on the 31st day of December 1891 :—*

BANKS.	Notes in Circulation.	Coined Gold, Silver, and other Metals.	Gold and Silver in Bullion and Bars.
	£. s. d.	£. s. d.	£. s. d.
Western Australian Bank - -	18,751 12 5	116,677 12 11	216 3 7
National Bank of Australasia -	32,288 9 3	100,779 1 1	1 15 -
Union Bank of Australasia - -	25,960 8 2	117,182 14 -	8,924 - 1
Bank of New South Wales - -	2,348 15 5	22,331 13 8	-
Commercial Bank of Australia -	11,172 9 3	29,654 18 1	12,598 2 4
Totals - - - £.	90,521 14 6	386,625 19 9	21,740 1 -

If the population, in round figures, on 31 of December 1891 may be assumed to have been only 50,000, the above note-circulation (90,521 *l.*)† is equivalent to no less than 1 *l.* 16 *s.* per head. This average would make it dubious whether the general Australia estimate of the total "active" currency (coins and notes together) at 2 *l.* per head, holds good for Western Australia. For it is probable that silver and bronze alone would more than make up the balance of 4 *s.*, after deducting the above 36 *s.* in notes. On the other hand, since on the preceding 31st March the total Issue was only 63,640 *l.*, or 25 *s.* 7 *d.* per head of the enumerated population (49,782), the December inflation of the paper currency probable points to a marked increase in numbers, as well as to commercial activity in "the coming Colony."

* The figures are extracted from the "Western Australian Government Gazette" of the 14th January 1892.

† Ten years before, in 1881, the total Issue was only 22,505 *l.*

CHAPTER XXIX.

NEW ZEALAND.*

(1840.)

STERLING was assumed to be the currency of the Colony in its earliest days. In 1847, section 43 of the Paper Currency Act (see *infra*) declared that "the word 'cash' shall be taken to mean the current gold and silver coin of the realm at the English Mint prices." With this exception, it does not appear that there has been any positive regulation of the currency. It has not been found possible to trace the local publication of the Order in Council and Proclamation of 16th October 1852 (*see* page 435), giving currency to Imperial coins and limiting the legal tender of silver to 40 *s.* Nor is there evidence of local publication of the subsequent Order in Council and Proclamation of 18th October 1854 (*see* page 441) respecting Sydney gold coins.

But, on 28th May 1858, by the Act 21 & 22 Vict., No. 2, the General Assembly of New Zealand enacted that "the laws of England as existing on 14th January 1840 shall, so far as applicable to the circumstances of the said Colony of New Zealand, be deemed and taken to have been in force therein on and after that day, and shall continue to be therein applied in the administration of justice accordingly."

Consequently, the Imperial Act of 1816 (56 Geo. III., c. 68) would appear to have been adopted by, and still to be in force in, the Colony of New Zealand. On this assumption, sterling has been, since 1858, the legal currency of New Zealand, and there has existed since that date a 40 *s.* limit on the legal tender of British silver tokens. And as, on this assumption, gold coined at the London Mint was a legal tender in New Zealand in 1869, it follows that the Royal Proclamation of 7th August 1869 (*see* page 447) applied to this Colony and made current therein the gold coins struck at the Melbourne Mint.

On 21st June 1871 (*see* "New Zealand Gazette" of the 24th June) there was promulgated in New Zealand the Royal Proclamation of 14th January 1871 (*see* page 453), giving currency (here and in certain other specified colonies) to the new gold coins to be struck at the Sydney Mint.

In the Appendix to the Journal of the House of Representatives for 1873, will be found proposals (anticipating by a decade those of Victoria) for coining silver at a Mint to be established in New Zealand. Nothing came of these proposals, as it was

* For information and assistance in connection with the currency of New Zealand, I am indebted to Mr. Walter Kennaway, C.M.G., Secretary to the London Agency of the Colony.

felt that the expense would more than swallow up the anticipated profit.

Notes.

The history of the paper currency is of greater theoretical interest than that of any other Australasian Colony.

"Since the recall of the debentures which were issued by Captain FitzRoy," wrote the Secretary of State to Governor Grey on 2nd February 1847,* "I am not aware that any description of paper money has been in circulation in the Colony; but, judging from what has taken place in other British Colonies, I can entertain no doubt that, with the increase of trade, a demand for such a cheap and convenient medium of exchange will speedily arise. Nor do I see any objection to the creation of a paper currency; on the contrary, provided it is properly regulated, I am of opinion that such a mode of economising capital, where capital is so greatly wanted, must be exceedingly advantageous."

After stating that "the discussions which have taken place of late years, and more especially the proceedings of Parliament upon the occasion of the last renewal of the Bank Charter (*i.e.* in 1844), have, I apprehend, in the judgment of those whose authority is of most weight on this subject, finally settled the principles upon which a paper currency ought to be regulated," the Secretary of State proceeded to lay down "the most correct principles" upon which a paper currency should be regulated, and decided definitely in favour of a State Issue. For, "the business of banking, or of dealing in money, and that of issuing paper money, I consider to have not merely no necessary but no proper connection with each other. The former is a branch of commercial business which should be left, like every other, to private enterprise; but to issue money, that is, to furnish the authorised medium of exchange, is one of the peculiar and not the least important functions of the Government." Earl Grey proceeded to lay down the Bank of England principle that, beyond a prescribed minimum, notes should be wholly covered by coin; and he concluded that "in New Zealand a simpler and more perfect system" (*i.e.* than that of the Bank of England) might be established, by passing "a law authorising the issue of a Colonial paper currency, which should be a legal tender in payment of all sums exceeding 40 *s.*" The notes were not to be of a less denomination than 1 *l.*; and "it would be advisable that one-fourth of the specie received in exchange for it, should be retained to meet any demands for payment which might be made, and that the remainder should be invested so as to produce some return to the Colony." Earl Grey was also of opinion that, in view of the circulation of silver dollars "in the countries nearest to New Zealand," silver coins "should be used in common with gold for the payment of the Colonial paper money."

* *See* "Further Papers relative to the Affairs of New Zealand; correspondence with Governor Grey," presented to both Houses of Parliament by Command in 1848.

"In compliance with the terms of your Lordship's Despatch," wrote Governor Grey on 25th November 1847, "I submitted to the Legislature of this Colony an Ordinance to authorise the establishment of a Colonial Bank of Issue by the Government of New Zealand." The Ordinance referred to, which was passed on 16th October 1847, and was confirmed by Her Majesty in Council, was the New Zealand Ordinance, 11 Vict. No. 16, "To authorise the establishment of a *Colonial Bank of Issue* by the Government of New Zealand, to make and issue a paper currency, and to prohibit the making and issuing of paper money by private individuals." With the exception of the Union Bank of Australia (which had "for some time been issuing its own bank notes in the Colony"), no bank was allowed to issue notes; and the Union Bank was only to continue its circulation, at the existing average amount, until 12 months' notice was given by the Governor that the issue was to terminate. On 3rd June 1850 (*see* Sir George Grey's Proclamation of 12th April 1850), offices of the "Colonial Bank of Issue" were opened at Wellington and Auckland to issue on demand, in exchange for cash, notes of 1 *l.* and upwards, which were "charged and chargeable upon the general revenue of the Colony."

It was provided that "a tender of any such note or notes shall be a legal tender to the amount expressed in such note or notes, and shall be taken to be valid as a tender to such amount for all sums above 2 *l.* on all occasions on which any tender of money may be legally made." And, as regards redemption, it was provided that (i.) one-fourth of the amount of the notes for the time being in circulation was always to be kept on hand in cash, and (ii.) "the residue, or so much as the Governor may deem expedient, shall from time to time be invested or placed out at interest on good and sufficient security by or under the direction of the Governor for the time being." Weekly and yearly statements were to be published.

On 16th June 1854 the House of Representatives ordered that a Select Committee should be "appointed to inquire and report as to whether it be desirable to maintain the present Bank of Issue, or to make any and what alteration therein, or to substitute any and what Government bank in lieu thereof."

The Committee, on 28th July 1854, reported that, according to the Returns of the previous month, the Issue stood as follows:—

	£.
Wellington - - - -	32,842
Auckland - - - -	7,481
Total - - -	£. 40,323

Against the notes, the Bank of Issue held the following coin and securities, the latter being in British Stocks :—

	Securities.	Coin in Chest.
	£.	£.
Wellington - - - - -	15,000	17,842
Auckland - - - - -	1,000	6,481
	16,000	24,323
	£. 40,323	

The total expenses to 30th June 1854 amounted to 1,590 *l.*, as against a gross profit, to 5th July 1854, of 965 *l.*, thus showing a net loss of 625 *l.*

"The public of Auckland," said the Committee, "never appear to have been very favourably disposed towards the circulation of this paper, or inclined to use it generally for their trading purposes, preferring the gold coinage. The original source from which its circulation sprang was that of the Government expenditure. In Auckland, especially, the dealings of the Bank (of Issue) are almost entirely confined to the Colonial Treasurer and the Union Bank, one paying in the gold and the other drawing it out. . . . In Wellington the Bank seems always to have maintained a better reputation ; its circulation there is nearly five times that of Auckland, a difference so disproportioned to the requirements of the two places, that it is only reconcilable by *presumption that some spirit of antagonism has prevailed in the latter place from which Wellington has been free.*"

In the faith that "the commerce of the Colony requires a currency, or representative of value, which should be both creative and expansive in its operations," the Committee recommended the abolition of the Bank of Issue, "because they are of opinion that the existence of any Government Bank issuing its own paper exclusively is injurious to free commercial enterprise. They are not, however, inclined to recommend its immediate abolition, which would cause too sudden a derangement of the monetary affairs of the Colony ; it might be allowed gradually to lapse in the natural course of events."

On 29 April 1856 the House of Representatives ordered further evidence to be taken on the subject of the Bank of Issue. The only witness examined was an Inspector of the Oriental Bank, who was naturally of opinion that the business of banking, including the issue of paper, should be left to private competition, and who represented that the profitable privilege of issuing notes would tempt banks to start business in the Colony. The Committee were "of opinion that it is necessary to afford facilities for extending Banking operations in this Colony, and that any obstructions now existing should be withdrawn as speedily as

possible, for which purpose the prohibition of the issue of notes by private banks should be forthwith repealed."

In 1856 was passed the Bank Paper Currency Act, 1856, which made it lawful for the Governor in Council to authorise the issue of notes in New Zealand (i.) by banks incorporated by Royal Charter and empowered to carry on the business of banking in New Zealand, and to issue and circulate notes therein ("but subject to the provisions and restrictions in such Letters Patent contained"), and (ii.) by the Union Bank of Australia, provided that the notes of the latter bank "bear date at the place of issue and be there payable in coin of the realm or other coin lawfully current in New Zealand." Under this enactment the Oriental Bank Corporation put its notes into circulation; and at the end of 1857 the circulation was—

	£
Union Bank - - - - - -	63,386
Oriental „ - - - - - -	4,008
	£. 67,394

The Bankers' Returns Act, 1858, required all bankers to prepare weekly statements of assets and liabilities, and to make out therefrom and publish a quarterly statement, one item in which was to be "Notes in Circulation." The above provisions were consolidated in the Bank and Bankers Act, 1880 (No. 15).

It remains to be added that in 1884–5 the Dunedin Chamber of Commerce memorialised the Colonial Government for a Committee "to investigate the whole subject of the currency, and the practice of banking within the Colony." On 17th April 1885 the Chamber defined the objects for inquiry as being (i.) "the effect of the paper currency in use in the Colony being issued by private banks," and (ii.) the question of establishing a State Bank of Issue. In the same year a Bill was introduced in the Council for establishing such a bank; but eventually the Bill was withdrawn, and resolutions were passed on 18th June 1886 (by a majority of one), affirming "that the issue of money, whether in the form of coin of paper currency, is a sovereign prerogative of the State, and the profit accruing therefrom belongs to the entire community," and calling on the Government to "establish a State Bank of Issue, or an Issue Department of the Colonial Treasury under proper regulations—thus affording to the people the full profit accruing from the circulation, which is certain in a few years to expand to a large amount." But no legislation has been passed to re-establish a State Issue in New Zealand.

The following figures, taken from the "New Zealand Gazette" of 28th January 1892, show the note-circulation and

specie holdings of the six Banks of Issue in the Colony on 31st December 1891.

Name of Bank.	Notes.	Coin.	Bullion.
	£.	£.	£.
Bank of New Zealand	438,484	539,346	53,501
Union Bank of Australia (Limited)	108,922	649,911	6,522
Bank of New South Wales	100,728	389,987	20,538
Bank of Australasia	68,662	270,542	—
National Bank of New Zealand (Limited)	107,615	186,077	20,457
Colonial Bank of New Zealand	121,634	195,409	25,328
TOTAL £.	946,045	2,231,242	126,346

Taking the total population at 634,058 on 31st December 1891, the above note circulation of 946,045 *l.* works to an average of 29 *s.* 10 *d.* per head. Analogy with Australian Colonies, such as New South Wales, Tasmania, and South Australia, would suggest that the "active" circulation of coin and notes together is 2 *l.* per head. Possibly, however, the diffusion of the population over large areas, and the absence of large urban populations in New Zealand, may be held to indicate a somewhat larger "active" circulation than the above amount.

CHAPTER XXX.

FIJI.

(1874.)

THE natives of Fiji do not appear to have had any currency of their own other than commodities.

In 1871, by the "Constitution Act of Fiji," it was declared that the right of coining money and of regulating the currency was vested in the newly-created King, acting by and with the advice of his Ministers; and on 23rd July 1872 an Act was passed ("Cakobau Rex., No. 22") with a view "to establish and define a legal tender of money in Fiji." After reciting the issue of "Treasury Notes," (*a*) of 1, 5, 10, 25, and 50 dollars and (*b*) of 25, 50, and 100 cents, which notes had been "of great public convenience," the above "Legal Tender Act, 1872" proceeded to declare Treasury Notes a legal tender, and to provide that "all genuine gold, silver, bronze or copper coin issued by and with the authority of His Majesty, or any Sovereign State, or the Government thereof, shall in like manner as aforesaid be a legal tender according to their currency value." Treasury notes were to be payable on demand in specie, or in Government Debentures bearing 10 per cent. interest.

The issue of Treasury Notes on 30th June 1872 was 25,110 dollars; on 31st May 1873 it stood at 31,189¼ dollars, a further issue of 28,153¼ dollars having been cancelled. On 30th September 1874, the issue stood at 200 *l.* only, the Debentures floated by the collapsed Constitutional Government amounting to 51,400 *l.*

On 19th August 1873, the Schedule to a Fiji Order in Council, which purported to give the Fiji Banking and Commercial Company the exclusive right of issuing Bank Notes (of a denomination not less than "1 *l.* British money"), prescribed the following concurrent ratings:—

American.

Dollar.—4 *s.* 2 *d.* British current coin. (Other American gold, silver, and copper coins at a proportionate value in British current coin).

French.

Franc.—10 *d.* British current coin. (Other French gold, silver, and copper coins at a proportionate value in British current coin).

Under British rule, by the Governor's Proclamation of 13th October 1874 (confirmed by Fiji Ordinance, No. 1 of 1875), the "Laws, Acts, or Statutes now in force within the Colony of New South Wales—not expressly excepted by a Proclamation of this Colony from affecting the government of or administration of Justice within this Colony—are hereby adopted as the Laws and Ordinances of this Colony, so far as the same shall be applicable to the circumstances of this Colony and not repugnant to, or inconsistent with, any Law or Proclamation now in force in this Colony, or that may hereafter be made or promulgated." It would, therefore, appear that from 13th October 1874 the currency of Fiji was that of New South Wales, *i.e.*, sterling with a 40 *s.* limit of legal tender for silver.

On 16th October 1875 a local Proclamation was issued declaring that, until 31st December 1875, the following foreign silver coins would be received by the Colonial Government "in payment of revenue" at the following rates:—

	s.	*d.*
American dollar - - - -	3	6
German thaler - - - -	2	3
Chilian „ - - - - }	3	–
French „ - - - - }		
Bolivian half-dollar - - -	1	3

"No foreign coin of any denomination will be received after the above date," adds the Proclamation in conclusion.

This Proclamation, which was confirmed by Fiji Ordinance No. 1, of 1875, did not constitute in law, though it did in practice, a general regulation of currency.

After 1875, however, British silver, which had already obtained a firm footing in the Colony, soon monopolised the circulation.

As it was held in 1881 that the currency of Fiji was unregulated in law, and as the Coinage Act, 1870, was being applied at the time to the Cape and Natal, Fiji was similarly brought under the Act by Proclamation of 29th November 1881, which was promulgated locally on 11th March 1882 (*see* "Fiji Royal Gazette" of the same date). Consequently, the metallic currency of Fiji was placed on the same basis as that of the United Kingdom, and a 40 *s.* limit of legal tender was set upon British silver coins. No foreign coins are legally current in the Colony.

In February 1884 it was stated that British silver to the amount of about 14,000 *l.* had been introduced into Fiji during the preceding year, and that "the expanding internal trade of the Colony requires an addition of about 3,000 *l.* in silver every year." Apparently, however, only 3,000 *l.* has been added by the Colonial Government to the currency from 1884 to the end of 1891, inclusive.

According to local estimate, the amount of coin in the Colony is 70,000 *l.*, or over 11 *s.* per head of the total population.

Indian immigrants use silver coins for bangles, belts, necklaces, &c., and also melt them down in order to manufacture silver ornaments. The silver coins thus withdrawn amount to a comparatively large amount

There are branches in Fiji of two Banks, viz., the Bank of New Zealand, and the Union Bank of Australia (Limited). Both of these Banks issue Notes, but details of the local circulation are not forthcoming.

THE MEDITERRANEAN.

(*Note.*—The three following Chapters are contributed by Mr. C. A. Harris.)

CHAPTER XXXI.*

GIBRALTAR.

(1704.)

DOWN to quite recent years, the essential feature in the currency of Spain (which has dominated the actual currency of Gibraltar) has been the over-valuation of gold. In the words of Sir Isaac Newton, in 1717:—"Gold is in Spain of 16 times more value than silver of equal weight and allay. But this high price keeps their gold at home in good plenty, and carries away the Spanish silver into all Europe, *so that at home they make their payments in gold, and will not pay in silver without a premium.* Upon the coming in of a plate fleet, the premium ceases, or is but small; but as their silver goes away, and becomes scarce, the premium increases, and is most commonly about 6 per cent." In practice, the gold doubloon was the standard coin, and the "dollar" of account represented not the silver dollar (which bore a fluctuating gold-price as merchandise) but the sixteenth of a gold doubloon.

1704–1825. **Currency of Spanish Coin.**

It was nearly half a century after the capture of Gibraltar (1704) before matters of currency greatly troubled the garrison. Whilst the Military Government maintained sterling as the money of account, their transactions were chiefly in the Spanish doubloon and dollar; and the small native and mercantile community trading daily with Spain adhered to the denomination of account as well as to the coins of Spain. The purchases of the garrison from the natives, and the daily use of Spanish coin, produced a habit (in Gibraltar as in the American and West Indian colonies) of roughly converting payments in this coin into the denominations of sterling: the conversion was rough-and-ready, and therefore incorrect, and a local "currency" was thus established, the pounds shillings and pence of which did not actually correspond to those of Great Britain.†

The chief error appears to have risen from the false rating of the "real" at 6 *d.* In 1711 the soldiers engaged on the fortifications were content to work for "one ryall only, or 6 *d.* per day, in consideration of receiving their provisions free." And from

* I am indebted to Mr. Cavendish Boyle, C.M.G., Colonial Secretary of Gibraltar, and to his staff, for early records of importance.—C.A.H.

† *See* page 4. That the Home Government was not slow to take advantage of the shortcomings of the local currency is shown by the following extract from official records of 1714:—"The money allotted to pay the Army at Gibraltar (the Commissioned Officers excepted), is 25,793 *l.* 6 *s.* 8 *d.* p.a., which sum is paid there with 16,913 moydors at 1 *l.* 10 *s.* 6 *d.* per moydor, these moidors being passed for 1 *l.* 17 *s.* 4 *d.* each, and at that rate paid the soldiers (which they really are), makes a sum of 31,570 *l.* 18 *s.* 8 *d.*, and leaves in Spanish money 5,777 *l.* 12 *s.*, which makes about 4, [illegible] *l.* sterling per annum"

the very first days of the occupation, bills were regularly drawn on the Home Government at the rate of 5 *s.* to the standard Spanish-American dollar, which had, since 1686, been equal in Spain to 10 provincial reals of "*new* plate."*

But the confusion did not end with the establishment of a local "currency" in £. *s. d.*; the error took a new form when, about the middle of the century, the English garrison had got used to the Spanish denominations, and began to make them the ordinary money of account. Owing, apparently, to an attempt at adjusting the early misrating of the provincial real, a new "real" arose, of which 12 instead of 10 went to the standard dollar, although it was still divided into 16 cuartos. This was the "real current" of Gibraltar†; it was a money of account, not a coin; and was the basis of what is usually known as Gibraltar currency, which was thus composed of an imaginary dollar (equivalent to eight of the new reals), an imaginary real, and the cuarto.

This "current dollar" explains the constant use of the "hard" dollar (= *peso duro*) in Gibraltar transactions to denote the Spanish dollar. It also explains such statements as "$1,000= 854 *l.* 3 *s.* 4 *d.*," which gives a dollar of 3 *s.* 5 *d.* in 1754, and again, in a petition of 1783, "9,000 dollars, equal to about 1,400 *l.* sterling," which places the current dollar at 3 *s.* 1½ *d.* A Government notice in 1762 states that "the exchange here has for several years last past been from 37 *d.* to 38 *d.* the dollar."

Of actual coins, and especially those of a low denomination, there appears to have been a dearth.

The want of decent token coin is among the earliest grievances of the garrison, who allege, in 1713, that "the Jews bring in brass money amongst us from Barbary, by which they get 500 per cent., and carry out in lieu of that all the Spanish money that is going." This "Barbary‡ copper coin, commonly called a fluce," of which four "are not nearly equal to a Spanish quart, at which rate they have lately passed," was prohibited in 1751 by an Order which declared the values of the Spanish copper coin in Gibraltar currency.

But when, in 1762, the currency of cut or diminished Spanish silver coin was prohibited, the lack of small change was such that it was found necessary, by a later order 4½ months afterwards, to confine the prohibition to "the currency of the cut hard dollar or cobb," all smaller pieces of Spanish silver coin whether cut or uncut being left in circulation at existing rates.

In 1783 General Elliott had issued a proclamation prohibiting,

* *See* page 392. Consequently, the case of Gibraltar is not to be confused with the 17th century rating of the real of Mexican Plate in Bermuda and Jamaica as "a Spanish sixpence." The cases are analogous, not homologous.

† The records throw very little light on the history of this real. It may, however, fairly be conjectured that the British community finding that the real was over-rated as 6 *d.*, and only produced 5·2 *d.* in exchange, tried to restore the balance by counting 12 of them at 5 *d.* to the standard dollar, as rated in terms of "currency." In a similar manner, there were some half-dozen "reals current" in different parts of Spain.

‡ Similarly we find in Malta that Barbary was the fountain of supply of base *grani* about 1823.

under pain of forfeiture, the sending forth of any silver coin from the garrison, which speaks to the difficulty of retaining silver; and in 1815 the lack of smaller coin is evidenced by the Governor's description of the payment of labourers as a fruitful source of drunkenness:—

"All men furnished as labourers to the engineer and other departments are paid daily at evening gun-fire, and as small change cannot be procured these men are formed into squads of six men each, to whom a hard dollar value 12 reals is given . . . The six soldiers so paid are under the necessity of proceeding to a wine-house and to expend there part of the money received, to procure change."

The governor at that time recommended that the Mint should coin one-real and two-real pieces and send them out, and he named 10,000 *l.* as the sum he needed. Meanwhile local merchants took the matter into their own hands, and, in the absence of sufficient copper money, issued pieces of the value of two cuartos payable at their houses of business.

A similar difficulty seems to have existed in regard to gold coin during the latter half of the eighteenth century. An order of the 30th of March 1762 recites that "the want of fixing a standard value on the Portugal gold, being the coin which the troops of this garrison are paid in, has been attended with great inconveniency to the private soldiers:" and it fixes the "half-shiner"* at 11 dollars 2 reals; this rate was apparently due to an arithmetical blunder: it was confirmed in August and abolished in September; and the half-shiner passed at the market rate till October 1771, when, "on account of the present great scarcity of money in this garrison, the commanding officers of the several corps . . . represented unto the Governor that there is a necessity of introducing the gold coin of Portugal," and an Order was promulgated fixing the half-shiner (not wanting above 5 grains of its full weight) at 94 reals currency "the same being a just relative value to the currency of the double pistole of Spain established in this place." Yet in 1787 Spanish gold coin is spoken of as "by far the greatest part of the circulation at this time," when the doubloon was rated† "at 16 Mexicos, or 24 dollars currency."

Thus, up to 1815, when it was denounced by Proclamation, Gibraltar had a money of account of its own, with Spanish denominations evolved out of an erroneous treatment of the true Spanish coins; and for actual coins it depended on the Spanish doubloon and Portuguese coins in gold, the Spanish milled silver dollar and certain Spanish copper coins supplemented by private tokens. The doubloon, for the greater part of the period, was practically the standard.

* By the value attached to it, this must have been the Johannes, which was half the Dobra (*see* page 396.)

† It is noteworthy that this rating was made by "His Majesty's Justices" in response to a presentment of the Grand Jury, that "the unestablished value of the Spanish gold coin is highly inconvenient, and often attended with disagreeable consequences to every person within this town, &c."

1825–1844. Attempt to introduce a Sterling Standard.

In 1825 came the Order in Council directing that in all the colonies British sterling should be the legal tender and money of account; this Order was promulgated in Gibraltar on the 16th of June 1825 by the following Proclamation of the Lieut.-Governor, Sir George Don :—

"It is hereby ordered that, from the first day of July next inclusive, the several provisions of the said Order of His Majesty in Council, so far as the same apply to this Garrison and Territory, shall be strictly observed and enforced; and all debts and all engagements for the payment of money shall be discharged, either in British silver money or in Spanish hard dollars at the rate of 4 shillings and 4 pence each, at the will of the debtor. Provided that British copper money shall be a legal tender for its due and proper proportions of British silver money as by law established in Great Britain, but that no person be compelled to take more than 12 pence in copper money at any one payment. From the first day of July inclusive, all Government Accounts will be kept and rendered in British money; the Spanish hard dollar will thenceforth be issued, in all Government payments on account of Government, at the same rate of four shillings and four pence each; and all rates and duties payable to the Crown shall be paid, either in British silver money or in Spanish hard dollars at the rate of four shillings and four pence each, at the option of the person paying, according to the several rates set forth in the printed Schedules put up in the respective public offices. To prevent any frauds which might otherwise be practised from uncertainty as to the relative current value of the Spanish hard dollar and its proportions, and the British silver money, it is hereby declared that, from the first day of July next inclusive, the lawful silver coin of Great Britain shall be the only standard measure of value in this Garrison and Territory, and that the Spanish hard dollar and its proportions shall thenceforth be current only as equivalent to British silver money, at the rate of one dollar to four shillings and four pence."

The proclamation was followed up by an importation of British coin; but, though the copper remained, "the bags of English silver with the seal unbroken were bought as merchandise with dollars at 52 pence, and sent back to England with a profit of 8 and 9 per cent." Apart from the fact that the remittance of specie cost only 1 per cent., as against the premium of 3 per cent. charged for Treasury Bills under the Imperial scheme, the Governor remarks that, "the trade of Gibraltar being directly connected with the manufacturing districts of England and Scotland, the half-crowns and shillings are much sought after to pay the workmen, whereby an additional inducement is created for the transmission home of these coins."

By the 22nd of September, within three months after the Order in Council came into operation, British silver had entirely disappeared, and once more the troops were being paid in Spanish gold.

A memorial of the local merchants also attacked the Order in Council on the ground that the Spanish currency was their natural currency; that there always existed in Gibraltar a great abundance of good Spanish gold and silver coin; that a fixed value was given by the Proclamation to the hard dollar "although in fact for ever fluctuating," and that it "fixed the limit of legal tender of British silver in Gibraltar to an extent so widely differing from Great Britain."

Consequently on the 1st November the following Proclamation superseded that of the 16th of June :—

"In virtue of instructions received from the Right Honourable Earl Bathurst, one of His Majesty's Principal Secretaries of State, it is hereby ordered and directed that, henceforward, the several provisions of the Order of His Majesty in Council, of the 23rd day of March 1825, regarding the metallic currency of the colonies, so far as the same apply to this garrison and territory, shall be strictly observed and enforced; and that, in the liquidation and payment of all debts and engagements, a tender and payment of British silver money, to the amount of 4*s.* 4*d.*, shall be considered as equivalent to the tender or payment of one Spanish dollar, and so in proportion for any greater or less amount of debt. It is further ordered that British copper money shall be a legal tender for its due and proper proportions of British silver money, as by law established in Great Britain; but that no person be compelled to take more than 12 pence in copper money at any one payment."

For four months in its history the garrison had as its nominal standard British silver, and therefore in theory the pound sterling, although, as a fact, hardly any British coin was seen. By the second Proclamation Spanish money was rehabilitated as the standard of value. But the accounts of the Government continued till the end of 1881 to be kept in £. *s.* *d.*, notwithstanding that these were only the denominations of coin concurrently circulating with the standard.

The over valuation of the Spanish dollar at 4*s.* 4*d.* sterling did not immediately attract attention at Gibraltar, seeing that the real standard coin was not the silver dollar, but the gold doubloon. But the presence of the British copper, introduced in 1825 and now left practically a stranger in a foreign land, produced a peculiar confusion and consequent grievance. Owing to its name, size, and general appearance, the farthing was adopted by the merchants as the equivalent of a cuarto. Thus the penny piece passed in the market as 4 cuartos. Now 192 cuartos went to the Spanish dollar, and in this way, starting from below, 48 pence were commonly given for a dollar which was by Order in Council to pass for 52 pence (4*s.* 4*d.* sterling). The error had received countenance from the fact that, by way of simplifying their accounts with the troops, the pay-sergeants charged each cuarto of account as a farthing, and then deducted 1*d.* in every 1*s.* of pay for "currency." This explains the earlier memorials against the 4*s.* 4*d.* rating, and the statement that the dollar issued at 4*s.* 4*d.* was current in the garrison at 4*s.*

In 1835 a new complication was introduced by a Proclamation intended to countervail the lightness of the doubloons in common circulation. The coin is described as "a coin both base and light used and washt and clipt to such an extent that most doubloons want six grains of their weight, and all are concurrently passed when they want no more than four grains." A premium of 2 per cent. was required on tender to the Treasury Chest for Spanish dollars as against doubloons. Accordingly in this year (1835) the Treasury issued an Order reducing the rate assigned to the doubloon from 69 *s.* 4 *d.* to 66 *s.* As this Order undervalued the doubloon relatively to the dollar, it was shortly rescinded on the petition of the merchants of Gibraltar, who urged, with regard to duties reserved in sterling, that it was unfair to deprive them of the option of paying (in accordance with the ancient monetary system of Spain) either 16 silver dollars or one gold doubloon. But the dissatisfaction of the troops continued; and eventually an Order was issued for the payment of the doubloon at 66 *s.* 8 *d.* instead of 69 *s.* 4 *d.* as from the 1st of January 1843. This was equivalent to a rating of the dollar (one-sixteenth of the doubloon) at 50 *d.* or 4 *s.* 2 *d.* And after some discussion and at no great distance it was followed by the Orders in Council and Proclamation of 3rd September 1844 and 26th April 1845, the latter of which merely amended the Order of 1844 by demonetising the doubloon of Mexico and the South American States.

1844–1870. **Practical Recognition of Spanish Currency.**

The Proclamation of 1844 was confused in terms, bearing on its face a doubt as to the real standard of value in Gibraltar, and rather implying that sterling was so, which was not the fact. It also referred to the "coin denominated the quarto" which had no very definite existence. Really, however, it left Spanish money the standard, as it had been since 1825; but it overlooked the fact that the doubloon was the real standard, that this gold coin was worth only 64 *s.*, and that the introduction of the irrelevant though correct rating of the silver dollar at 4 *s.* 2 *d.*, must lead to an overvaluation of the doubloon, the sixteenth part of which (or gold dollar) was worth 4 *s.* only. British money remained a legal tender, and the old trouble about British copper was merely reduced in amount.*

Some effort had been made just previously to place the copper coinage on a more satisfactory footing. The Governor in 1841 asked that 2,500 *l.* worth of British 2-quart, 1-quart, and ½-quart pieces might be coined at the Mint with a view of taking the place of the British coins which were not suitable, and the foreign coins and counterfeits which were the subject of fraud. No special Order in Council was thought necessary to bring into circulation these new cuartos, which were simply sent into circulation from the Colonial Treasury.

* The Civil servants appealed without success against the new Order in Council, on the ground of the reduction of the dollar.

At this time the currency of Gibraltar consisted of:—

Gold.—Doubloon, Half Doubloon, Quarter Doubloon, One-eighth Doubloon, One-sixteenth Doubloon.

Silver.—Pillared Dollar, Pillared ½-Dollar, and apparently some *South American Dollars.

Copper.—British pence, halfpence, &c., and British cuartos.

and on this basis the monetary transactions of the community dragged on for some years without great complaints. But gradually they passed into a new phase, of more peculiar dependence on Spain, to which were due the difficulties and changes, apart from the copper grievance, which hereafter arose in regard to currency at Gibraltar.

In 1848 Spain had made the first move in the direction of adopting a decimal currency. In that year the Spanish Government began to replace the old doubloon with the Doblon d'Isabel or 5-dollar piece, and the doblons of 4 escudos and 2 escudos,† apparently retaining the real as a money of account. In 1864 a further step was made: the Government money of account was changed to escudos and milesimos. The standard was the silver escudo of 180.345 grains fine of 900 millesimal fineness, the gold dollar being equivalent to 2 escudos.

Naturally the new money soon found its way to Gibraltar, and in 1866 the inhabitants prayed for the adoption of the new Spanish system, which had in practice superseded the Order in Council of 1844, since the currency of the territory now consisted of the following coins:—

Gold.—The new Spanish gold coins, viz., the Doblon d'Isabel, the 4-escudo and the 2-escudo pieces: as well as certain much-worn old doubloons, half doubloons, four-dollar, two-dollar, and one-dollar pieces.

Silver.—The double escudo and escudo, ½-dollar, ¼-dollar, $\frac{1}{8}$-dollar, and $\frac{1}{16}$-dollar; token pieces of inferior silver, 81-100ths fine, of the denominations of 4 reals, 2 reals and 1 real.

Copper and brass.—British pence, halfpence and farthings: Spanish brass pieces of the value of ½-real, ¼-real $\frac{1}{10}$-real and $\frac{1}{20}$-real, apparently belonging to two different periods: a miscellaneous collection of tokens described as "the refuse coins of the whole world and old buttons," and again as "a quantity of spurious coins varying from 4 to 60 per cent. below value." The nominal value of the copper was computed at 15,000 *l.*

* By Proclamation of 26th July 1836 the dollar of the South American States was to "be received and issued on the part of the Government agents and authorities at the same rate as the old Pillared Dollars." On the 10th of August in the same year the Governor reported that they were at a premium of one-half per cent. as compared with gold. Yet the new coins do not appear to have got any permanent hold on the public of Gibraltar.

† The escudo was 10 reales, and 2 escudos went to the gold dollar or one fifth part of the Doblon d'Isabel; so that the silver "doblon de dos escudos" was practically the representative of the old dollar. It may be well to notice that the Spanish Government was not by any means immediately followed by the Spanish people in its currency changes, and that old and various practice still held ground in many parts of the peninsula.

The old Spanish dollar seems to have disappeared from circulation, and the Mexican and South American coins had not made their way in the Colony.

The evils which caused the inhabitants to memorialise the Government appear to have been the reduction in the weight of the new Spanish dollar (*i.e.*, piece of 2 escudos*), which still passed for the same amount against sterling as the old dollar; the trouble of calculation with an unsettled currency; but above all the debased and unsatisfactory state of the copper token coinage. In 1868 we read that "at the present time the dealers are putting into circulation large quantities of defaced silver, and spurious and condemned copper coins of all nations."

The latter trouble grew so serious that the Governor in 1866 issued a notice that importation of foreign coins not legalised by Order in Council was a serious infringement of the Royal prerogative, and rendered persons so importing them liable to severe penalties. This, however, of itself had little effect, and the community finally found its own remedy: the merchants decided to refuse all foreign copper; and the only question remaining was who should bear the loss on the coin thus summarily demonetised, estimated variously to amount in nominal value to from 3,000 *l.* to 4,000 *l.* So strong was the feeling on the subject of the copper tokens that in 1870 the Governor re-issued his notice of the 20th June 1866, with the special view of preventing the importation of the new light copper coins of Spain.

1872. **Spanish Currency the Legal Standard.**

The action of the Home Government was delayed owing to the provisional adoption by Spain of the decimal system of the Latin Union with the peseta as unit. But as the Spanish Government showed no inclination to push the matter on, the Treasury shortly proceeded with a new Order in Council, which was dated 21st February 1872, and came into operation in Gibraltar on the 1st of May in that year.

This Order for the first time gave Gibraltar as a British possession a legal standard of value in accord with actual conditions. It made the standard the Doblon d'Isabel (weighing 128·7 grs. and of $\frac{9}{10}$ fineness), or gold coin of that weight and fineness by whatsoever denomination known. It legalised certain other Spanish coins, gold and silver, but with a limit of tender carefully set forth in the schedule to the Order. It provided for contracts made in the old Gibraltar currency and in sterling; but British money was henceforth foreign coin.

The defect of the Order was that it provided for the adoption of the existing Spanish coinage without anticipating the possibility of an actual alteration of the standard coin, and so it necessitated a new Order in Council ten years later.

No definite instruction was issued as to the keeping of the

* The old Spanish dollar weighed 416 grains troy, the new 2-escudo piece, though of like fineness, contained only 400 grains.

Government accounts,* and the old denominations of sterling were used till 1881.

The demonetisation of the British copper created a small crisis for the moment. It was mostly the old copper which had been demonetised in England in 1869.† Soon after the publication of the new Order there was a rush to the shops to buy goods with British copper, but no one would readily receive it. The Governor telegraphed for leave to withdraw the copper at the Government expense; and the Exchange Committee with public spirit forthwith proceeded to exchange it at their own charges in reliance on Government action. The Deputy Commissary General estimated the amount of British coin in circulation at 4,500 *l.*, of which 1,500 *l.* was new bronze coinage issued from the Treasury Chest. The Treasury agreed to withdraw this copper at the charges of the Colonial Government for freight and incidentals. But Her Majesty's Government declined to take any responsibility in respect of the withdrawal of the old foreign copper, which had been introduced illegally and without their concurrence, though certain Government officers had occasionally been driven to accept and pass it in an official capacity.

The settlement of 1872, however, was neither satisfactory or final. Within a very short time the Order in Council was reported to have been a dead letter. "It had been carefully adhered to by all the Public Officers, but its provisions have been practically disregarded by the Merchants and Traders of Gibraltar who have elected to conduct all their operations of purchase and sale, whether wholesale or retail, in the old Spanish (*i.e.*, Gibraltar) currency, *i.e.*, in dollars, reals, and quarts as the money of account."

In 1878 matters were brought to a head by the scarcity of gold. The Spanish Government appear never to have coined the Doblon d'Isabel in any quantity, and in 1876 they proceeded to bring themselves under the system of the Latin Union;‡ they issued a new gold coin, the Alfonso or 25-peseta piece, of the weight of 124·451 grains troy and $\frac{9}{10}$ fineness, and recalled the more valuable Doblon d'Isabel. The consequence was that this latter coin first ran to a premium in Gibraltar, and then began to disappear, so that the limit of tender on silver imposed by the Order in Council was perforce disregarded on occasion even at the Colonial Treasury. This was parallel to the facts in Spain itself, where the new Alfonso had gone to a premium, and gold did not circulate freely, in spite of the suspension of the free coinage of silver in 1878.

At this time the only coins which were legal tender in Gibraltar were said to be disappearing from circulation. and

* The collector of Customs complained, because all transactions in the collection of revenue must now first be converted from sterling or the old currency into the new currency, and then be re-converted into sterling for entry in the Government books. The local tradesmen appear to have declined in most cases to comply with the instruction of 1815, and their books were kept accordingly in the old currency of Gibraltar.

† *See* page 455.

‡ This had been originally projected by the Provisional Republican Government of 1868.

as the old coins of the earlier part of the century were still current amongst the trading community, the circulation now consisted of—

Gold.—The doubloon, half-doubloon, quarter-doubloon, and "the old 2-dollar and dollar pieces," which were said to pass current still in Spain at their nominal value;* the Doblon d'Isabel and other gold coins of 1848 and 1864.

Silver.—The "Amadeo silver dollar of 5-pesetas," the new 5-peseta piece (the Alfonso dollar) and the peseta piece, "which pass current by common consent, the former at 4·48 *d.*, and the latter 9½ *d.* when tendered singly."

Copper.—British Tokens:—"the copper coins prescribed by the Order in Council practically do not exist in Gibraltar."

The bronze coins of Spain were received with a distrust apparently engendered of the idea that they would over-issue them and run them down to a discount: "their great scarcity has rendered it necessary to have recourse to Algesiras, San Roque, and even Cadiz in order to procure the requisite supply of decimas and half decimas to meet the requirements of the public offices." A decided preference was given by all classes of the community to British bronze coins, and "in the ordinary daily monetary transactions of the place and with the traders from Spain 48 British pence are by general consent paid and received as the equivalent of one Spanish gold or silver dollar or 5-peseta piece."

The mercantile community urged the adoption of British sterling as the standard. But the Imperial Government, after giving every consideration to the proposal of the local committee, decided that the failure of the Order in Council of 1872 was really due to the change in the Spanish system, and they recommended Her Majesty to apply the new Spanish system to Gibraltar. The Draft Order for that purpose was published for general information in the "Gibraltar Chronicle" of 23rd October 1879, and it ultimately† became the Order in Council of 1881. The old coins found their way back to Spain, and a proclamation was issued in 1887 demonetising the coins which had been called in by the Spanish Government, viz., the Isabel silver dollars.

Thus the currency of Gibraltar was placed on an avowedly "bimetallic" basis; the standard of value was to be the gold coin of Spain, commonly called the Alfonso, or piece of 25 pesetas, but the silver 5-peseta piece (which is identical with the 5-franc piece of France), was made legal tender without limit.

But there is a marked difference in practice between the currency of the Latin Union and that of Spain. In Spain, the issue of gold Alfonsos was limited, and inadequate, even in

* "Their exclusion as a legal tender has, no doubt, tended to maintain a higher rate of exchange at which gold has been tendered for Treasury bills."

† Even before there had been time to mature this order the difficulty caused to the Treasury Chest by the scarcity of gold had greatly increased, and there was some talk of anticipating its operation by ordinance of the Governor, but the proposal was not carried out, and the Order in Council eventually came into operation as from 1st July 1881.

earlier years, to maintain at its full representative value the mass of silver coins sent into circulation. Of late years, Spain has steadily been losing her stock of gold, whilst continuing to coin 5-peseta pieces in silver. The result, also fully felt in Gibraltar, has been that, by the natural action of an alternate standard, silver has tended more and more to become the practical standard and measure of value. The exchange proves this: according to the mint-par, 25·22 gold pesetas are equal to 1 *l.* sterling; and the same proportion ought to hold good of silver 5-peseta pieces, if these latter were shielded by sufficient gold. But, as a matter of fact, the exchange per £ sterling had reached Ps. 26 in 1889, Ps. 27 in the middle of 1891, and Ps. 29 early in 1892. That this result has been irrespective of the balance of trade, is shown by the fact that British sovereigns* have uniformly been tendered at par in Gibraltar for bills on London. Hence the relative over-issue of silver is the disturbing cause, and its effect is seen in the fact that the exchange value of the 5-peseta piece has dropped to about half-way between its representative and its intrinsic value.† It has accordingly been suggested that a limit of legal tender should be placed on Spanish silver. The objection to such a limit is that it would differentiate the currency of Gibraltar from that of Spain, and so remove the Colony from the "currency area" to which it naturally belongs.‡

There is only one joint-stock bank in Gibraltar, formed by the amalgamation of the late J. Saccane's banking business with a branch of the Anglo-Egyptian Bank; but there are three private banks, and several merchants carry on a banking business. There is, however, no note-issue. Spanish and English bank-notes are occasionally to be found in Gibraltar, but they are not generally used. A proposal to issue (legal tender) notes is under consideration.

The amount of coin in circulation was estimated, on 1st August 1892, at:

	£.
British gold - - -	8,000
British silver - - -	500
Spanish silver - - -	70,000
Copper - - - -	2,400
Total - -	£. 80,900

This would give 4 *l.* 4 *s.* 9 *d.* as the amount of coin per head of inhabitant; but the Bank reserves and other stocks must make the "active" circulation very much lower.

* The troops in Gibraltar are nominally paid in sovereigns; these are sold for pesetas by paymasters, and the actual issue of pay is in Spanish silver.

† It is suspected locally that the recent issue of silver 5-peseta pieces, bearing the effigy of the little King, and known as the "Baby dollar," are intrinsically inferior to previous issues.

‡ The present so-called currency troubles in Gibraltar do not fall within the scope of these pages, being questions relating rather to prices than to currency proper.

CHAPTER XXXII.

MALTA.*

(1797.)†

THE Island of Malta has had a number of masters: the last period of its history, prior to that which opened with British rule, and excepting the brief occupation of the French, was that of the domination of the Knights of St. John of Jerusalem, which lasted from 1530 to 1797. As the knights were of different nationalities, and drew their revenues from all parts of Europe, it might have been expected that the Island would be a repository for the coins of, at any rate, those nations which bordered on the Mediterranean. This appears not to have been the case.

1530–1800. The Native Maltese Coinage.

The Order of St. John had their own mint in Malta, and issued their own coin. The oldest decree of the Council of the Order with respect to the mint which has been traced bears date the 20th August 1609, and provides for the coinage of gold, silver, and brass pieces similar to those of the Kingdom of Sicily; which explains the Sicilian or Italian denomination of the old Malta currency.

The Maltese unit of account was called the scudo; and

1 scudo = 12 tari.

1 tari = 20 grani.

The grano appears to have been sub-divided into piccioli.

"In the mint of Malta‡ were coined various pieces of gold and silver; but formerly the fineness of the metal was not fixed, but it depended on the will of the Grand Master, who sometimes made the money finer, and sometimes with more alloy. In the time of the Grand Master Pinto, as the money did not go out of the country, all his coins almost varied, both gold and silver. Zecchins of gold also, with the head of the Grand Master, were occasionally coined, but in no great quantity. From the beginning of the grand mastership of Rohan (1775 A.D.), and since, the quantity of metal and alloy were fixed. But his Louis d'or, being too valuable, soon disappeared; and the few that remain bear an agio of one scudo and more above their nominal value."

* I am indebted to Sir Guiseppi Carbone, LL.D., K.C.M.G., for important early decrees which he has been so good as to send me.—C.A.H.

† The histories appear not to be aware of this earlier date, but it is taken as being that appended to Captain Ball's decrees hereafter noticed.

‡ *See* Eton's Materials for a History of Malta, page 266.

In 1778 Rohan decreed as law the following report from the officers of the Mint: –

"We think that fine gold may be valued at 36 scudi the ounce, and fine silver at 36 scudi the pound; in this case gold of 22 carats should be fixed at the price of 33 scudi and gold of 17 carats at 26½ scudi the ounce. In the same manner Malta silver, to be wrought by the silversmiths, of 10½ denari, should be fixed at the price of 26¼ scudi the pound; that of Rome of the fineness of 11 at 27½ scudi; and that of France of 11½ at the price of 28¾ scudi."

This was the basis upon which were coined most of the old coins of Malta which were in existence at the time of the British occupation. They were as follows*:—

Gold coins:	Silver coins:
Double Louis d'or, passing for 20 scudi.	(a) containing 10 denari of fine silver.
Single Louis d'or, „ „ 10 scudi.	30 tari piece = 2½ scudi.
Half „ „ „ „ 5 scudi.	15 tari piece = 1¼ scudi.
Zecchino „ „ 4 scudi and 3 tari.	(b) containing 9 denari of fine silver.
	2 scudi piece.
	1 scudo piece.

Copper Coins:

4 tari piece.	10 grani piece (or carlino).
2 tari piece.	5 grani piece (or cinquina).
1 tari.	1 grano.

It does not appear that the brief occupation by the French made any material alteration in the currency or introduced French coins.

1800–1825. The Sicilian and the Spanish Dollar.

In 1797 Malta came under the protection of the English, and one of the earlier acts of the new Government appears to have resulted, quite unintentionally, in getting rid of a considerable portion of the native coins.

"Sir Alexander Ball," says Eton, "observing a scarcity of coin in Malta, and wishing to make the circulating medium more abundant, issued a decree by which foreign coins should pass in Malta for a greater number of scudi, tari, and grani than they had hitherto done. The consequence was as he expected, that more foreign coins actually did come to Malta, but what he did not expect, all the Malta coin went to foreign countries, particularly to Sicily, where the Grand Master's scudi were melted, and came back to Malta in the form of Sicilian silver coins with a gain of above 20 per cent."

Thus was the Sicilian dollar introduced into the currency of Malta. The decrees referred to must have been those of May and August 1797, which fixed the Sicilian piece of 12 carlini at 30 tari, and the Sicilian gold ounce at six scudi three tari

* This statement is based on Eton's account, which agrees with that given in Kelly's Cambist, but portions of the original decrees do not tally with that account. The history of the rating of these old coins, though not important for the present purpose, needs further investigation.

(75 tari). Writing apparently in 1803, Eton says already that none* of the ancient national coin is to be found in Malta, "except a few pieces which are preserved by the curious as medals," and the scudo had really become merely a unit of account. "The silver coin current in Malta" he proceeds, "is the Sicilian 'Oncia d'argento,' and, according to the intrinsic value of this piece of silver, the Malta scudo has acquired its nominal value; for this piece in Malta is fixed at two scudi and-a-half, and as such passes in all payments. The real value of this Sicilian piece (commonly called the Sicilian dollar) is about four shillings sterling."†

Besides the Sicilian dollar, the Spanish dollar was evidently in circulation at the beginning of the century.‡ And it may be gathered from the decrees relating to the currency of the doubloon that the Spanish dollar was for a time commonly estimated, if not formally rated, on a par with the less valuable Sicilian coin.

A decree of January 1801, following the old Spanish valuation, directed that everyone should receive the doubloon as the equivalent of 16 pillar dollars. But a Proclamation of 21st October 1806 reduced the rate of conversion, in deference to an idea that "Spanish gold had a comparatively inferior value in Sicily," to 15½ dollars, or 38 scudi 9 tari, which is equal to a rating of the dollar at 30 tari.§

From returns of coin imported into Malta on Imperial account it appears that fr n 1800 to 1805 the Sicilian ounce formed the bulk of the specie imported; but in 1807 200,000 Spanish dollars were introduced in a large consignment of specie from England, and for a time Spanish coin appears to have been the favourite medium of circulation: "during the war and for some years after the peace (*i.e.*, of 1815), the Island abounded in doubloons and dollars of Spain." And in a decree of 1812 it is spoken of as "the principal money actually in circulation."

This decree of 1812, promulgated by Sir Hildebrand Oakes, with a view to assimilate the value at which the Spanish dollar passed to that at which it was current in Sicily, ordered that

* It is difficult to reconcile this statement with the later information that in 1829 about one-fifth of the silver in circulation consisted of the old Maltese silver, *vide* p. 312 *ad finem*.

† Eton observes that the immediate effect of the influx of Sicilian coin was to reduce all salaries and payments stipulated for in scudi of Malta about 26 per cent.; and he proceeds to consider the expediency of coining a new Maltese scudo, and leaving the Sicilian dollar to circulate concurrently. He also states that the copper coin in circulation bears no sort of proportion to the value of the metal; and that much false coin was being introduced. And he states that the amount of copper in circulation is calculated at about 25,000 *l.* sterling.

‡ Eton states that, although a lighter coin than the other, the Spanish piastre was of greater fineness, and of the value of 2 scudi 3 tari 3 grani, and 5 piccioli of Malta. He notes, however, that the piastres vary in value, mentioning "those of the Crown, those of Peru, and those of two globes." *See* page 391.

§ From which it may be fairly inferred that from 1801 to 1806 the doubloon passed at 40 scudi of Malta. This was the rate at which it was legalised in 1850: *see* page 320. The Governor at the latter date refers to the profit which the Government in old days made out of this wrong rating.

"the Hard Piece of Spain without distinction, whether Pillared or Castile, should pass for 10 grains of Malta more than the Piece of Sicily, so long as those two moneys continued to bear the same relation one to another."*

On the 1st of January 1815, the Governor, having apparently discovered that the decrees in force undervalued the Spanish dollar, "fixed the difference between the Spanish and Sicilian dollar at 2½ *d.*† in all payments to the army and navy, but left the under-valuation of the Spanish dollar in all civil receipts and payments." We also are told that in 1822 he contemplated raising the rate at which the Spanish dollar passed current to 31½ tari in all payments and receipts. But this was not done, and a good deal of ill-feeling was caused by the disappearance of the Spanish coin.

In 1823 the growing discontent took shape. The merchants of the Island memorialised the Government on the state of the currency. The copper coinage they stated was depreciated more than 95 per cent. The late extensive issue of that coin from the Treasury had already been attended with great inconvenience. The gold and silver coinage in circulation was stated to be, though not so bad as the copper, yet inadequate to the necessities of the Island.

The coins in circulation at this time appear to have been the following: —

Copper.

4 tari piece.
2 „ „
1 „ „

10 grani piece.
5 „ „
1 „ „

Silver.

Spanish pillar dollar.
Sicilian dollar, and parts.
‡Maltese 30 tari piece.
„ 15 „ „

Maltese 2 scudi (24 tari) piece, and other coins, as enumerated in the statement on the next page.§

Gold.

Some Old Maltese Louis d'Or and Zecchini.

* This episode in the history needs elucidation. All the obtainable evidence, as well as the wording of Sir H. Oakes' decree, goes to show that the valuation of the Spanish was thereby raised in comparison with the Sicilian coin. Yet shortly afterwards the former evidently began to disappear. The Colonial Secretary, writing in 1824, attributes this to the fact that the order had "fixed the exchange at 30½ tari per Spanish dollar, *i.e.*, only 1 *d.* currency between the Spanish and Sicilian dollars, whereas the intrinsic difference (even taking the best of the Sicilian coin) is 2½ *d.*" But this does not explain the facts in the light of the previous ratings; evidently other causes were at work, probably the change from war to peace. Pennington's book is hopelessly confused on this subject.

† There are traces of a local "currency" from the beginning of the British occupation; the scudo had in the days of the Grand Masters been intrinsically worth a fraction under two shillings, and amongst the new comers it passed for a two shilling piece. Its value was either really upset in the way described by Eton on p. 307 *ad init.*, or declined steadily with abrasion and a falling gold price for silver. Kelly, in 1821, makes it 1 *s.* 9½ *d.* The ratings of 1825 assumed its sterling value as 1 *s.* 8 *d.*; and there is varied evidence to show that the difference between amounts of sterling and of "currency" was 20 per cent. on the amount of sterling, *i.e.*, 2½ *d.* sterling = 3 *d.* "currency." This is the meaning of the passage cited; it also explains the annoyance alluded to on p. 321, at the reduction in nominal value of the scudo by making half a scudo more go to the £ sterling.

‡ The 30 tari piece (2½ scudi) went by the appellation of the "current dollar."

§ It may be of interest to reproduce an official statement which shows not

and the commonest coins were Sicilian dollars, half dollars, and quarters in silver, and the grains in copper or base metal. "The present circulation consists almost entirely of Sicilian dollars, half and quarter dollars, and other small Sicilian coins, all of them much below their nominal value, and a great part of extremely old date, and reduced by use or clipping very far indeed below it." And "were it not for the facilities afforded by the two banks by their notes, ... and by checks, business would be still more impeded."

"During the war," writes the Colonial Secretary, "in February 1824, and for some years after the peace, this Island abounded in doubloons and in Spanish dollars; but at present not one of the former is to be found, and very few indeed of the latter. In fact Spanish dollars are become not a medium of circulation, but an object of commerce, and any call for them raises the price immediately in the Money Changing Market." The Imperial Treasury was evidently in the habit of remitting large quantities of Spanish dollars to the Island, and "in all payments in this Island settled at home in sterling money the Spanish dollar is valued at 4 *s.* 6 *d.*" * And the Commissary is found constantly disputing with the other departments as to the exact rate of agio between the Sicilian and Spanish dollar.

only the different mintage of the chief native coins, but also the variation of the intrinsic content of several coins all rated on the same footing :—

STATEMENT of the Gross Weight of the Contents in Pure Silver (Troy Weight) of Maltese Silver Coins remaining in Circulation in the Island of Malta and its Dependencies, taken from an Assay made by the Assayer and the Consul of Silversmiths, under the direction of the Treasurer of Government.

		Gross Weight of the Coins.	Contents in Pure Silver.	Nominal Sterling Value according to the Rates fixed for the British Metallic Currency.	
		Grains.	Grains.	*s.* *d.*	
Piece of 30 Tari	Non Surrexit Major of 1757	452	310 12/16	4 2	Supposed amount in circulation 32,000 dollars, or 6,666 *l.* 13 *s.* 4 *d.*, at 4 *s.* 2 *d.*
„ 15 „	ditto - - of 1760	225 4/16	161 10/16	2 1	
„ 15 „	Rohan - - of 1781	225 8/16	154 9/16	2 1	
„ 30 „	ditto - - of 1790	458 9/16	373 7/16	4 2	
„ 30 „	Hompesch - of 1798	457	377 14/16	4 2	
„ 15 „	ditto - - of 1798	228	192 6/16	2 1	
„ 1 „	Rohan - - of 1777	15 16	10 6/16	- 1 8/12	Supposed amount in circulation 10,000 dollars, or 2,083 *l.* 6 *s.* 8 *d.*, at 4 *s.* 2 *d.*
„ 4 „	ditto - - of 1779	58 /16	39 1/16	- 6 8/12	
„ 2 „	ditto - - of 1779	29 14/16	20 10/16	- 3 4/12	
„ 6 „	ditto - - of 1780	88 8/16	68 4/16	- 10	
„ 24 „	ditto - - of 1796	70	268 4/16	3 4	
„ 12 „	ditto - - of 1796	387 12/16	135 7/16	1 8	

Malta,
Treasury, 18 June 1825. (signed) R. W. ST. JOHN,
Treasurer of Government.

* The sterling rating of the old "Piece of Eight," as laid down in 1717 by Sir Isaac Newton; *see* page 6.

The remedy proposed by the merchants was an Island coinage of:—

(*a*) Silver pieces of 30, 15, 12, 6, 3, and 1 tari to the total amount of 275,000 scudi;

(*b*) Copper coins of 10, 5, 2, and 1 grani;

whilst the Colonial Secretary proposed to raise the rate of Spanish dollars to the amount indicated by the Governor in 1815.

On the 10th of June 1824 the Governor adopted the last suggestion and issued a Proclamation directing that from the date thereof the Spanish pillar dollars should pass current within the Island of Malta and its dependencies at the rate of 31 tari and 10 grani of Malta, at which rate they were to be issued and received at the Treasury and other Government offices. Arguing from the fact that the Sicilian dollar, which was 30 tari, was issued to the troops for 4 *s.* 3½ *d.*, this was equal to a rating of rather over 4 *s.* 5½ *d.* for the Spanish dollar, or rather less actually than the Treasury rating which it was intended to introduce.* The Proclamation was said to be well received by the merchants, as giving activity to capital which was lying idle in Spanish dollars: "the only possible objection to the measure is that it may tend to raise the sterling rate of exchange."

1825-1834. Attempt to Introduce Sterling.

The project for a new coinage for Malta was not adopted, owing to the decision of the Treasury in February 1825 to introduce British silver and copper into all colonies where troops were stationed, and to rate the Spanish dollar at 4 *s.* 4 *d.* sterling (*see* page 23). On the 9th of June 1825 the Governor of Malta proclaimed the rates in Maltese currency at which the British coins should pass current after the 24th June, as follows:—

Silver.

	Scudi.	t.	g.	Grani.
The crown, or five-shilling piece.	3	0	0 or	720
The half-crown, or two-shilling and sixpenny piece.	1	6	0 or	360
The shilling	0	7	4 or	144
The sixpence	0	3	12 or	72

Copper.

	Grani
The penny	12
The halfpenny	6
The farthing	3

At the same time he urged strongly that a coin of the denomination "grano," or one-third of a farthing, should be specially coined, "as many articles of primary necessity are often sold here to the value of one grano"; and he proposed, on receiving them, to withdraw as rapidly as possible the base grani then in circulation.

The amount of coinage in the Island at that date was estimated to be $210,000 in silver, of which $42,000 were represented by the silver coins of Malta, the greater part, $32,000, being in 30

* According to a contemporary statement:—"In regard to the intrinsic value of these two coins, according to the assay made here, there was found a difference of value in favour of the Spanish dollar of very nearly 2 tari of Malta, say 3 *d.* sterling." Whereas the difference of rating for issue was now at the most 2½ *d*, leaving an agio of 1⅝ *d.* in favour of each Spanish dollar.

and 15 tari pieces, and 270,000 scudi in copper, the intrinsic value of which was computed at 10,800 scudi.

On the 11th October 1825 a local Proclamation, founded on the Order in Council for all the colonies, was issued, making, as from the 25th December 1825, the tender of a Spanish pillar dollar equal to the tender of British sterling to the amount of 4 *s.* 4 *d.*, and declaring that all debts and engagements might be discharged in either at the option of the debtor; the tender of copper being limited to 12 *d.*

The Government accounts were also ordered to be kept in sterling from that date.

On the 22nd November a supplementary notice (not a proclamation having the force of law) declared that the Sicilian dollar would still be received and paid at the Government Treasury "at the same rate as at present," viz., 4 *s.* 2 *d.*

On 6th March 1826 British sovereigns and half-sovereigns were proclaimed legal tender in Malta at 20 *s.* and 10 *s.* respectively.

On 3rd November 1827 a Proclamation ordained that "a copper coin of a less value than the British farthing (now current at the rate of three Malta grains each) should be provided for the accommodation of this population," and the new "British grain" coined in England, and described in the Proclamation, from the date of the Proclamation passed current "as of the value of one grain of Malta money, and relative to, and in exchange for, other British copper coin as follows, viz.:

12 for one penny.
6 for one half-penny.
3 for one farthing."

On the 6th of the same month a further Proclamation demonetised the old Malta copper coinage, and provided for its exchange against the new coin. The amount of copper which was sent from home for this operation was 4,400 *l.* in pence, half-pence, and grains, of which only 2,400 *l.* was issued, and the total cost of the withdrawal of the debased coinage was 17,610 *l.*, which was advanced by the Imperial Treasury.

This is admitted to have settled the copper coinage; but the state of the silver currency remained the subject of much discussion. The British silver which had been introduced some 2½ years previously, was, in March 1828, reported to have been little else than a subject of merchandise: it did not circulate generally; and, as "there is now no other small silver coinage in the Island, the want of it in circulation is much felt." The amount imported by the Imperial Treasury was not great: for the three years 1825–27 it had been 45,070 *l.* The Deputy Commissary General, in order to supply himself with silver, was required to give bills at a premium (at first of 3, later 1½ per cent., *see* p. 25-6) for all British silver tendered to him; and he was forbidden as far as possible to receive other coin. In default of being able to obtain these bills the merchants remitted to their English correspondents in British silver. So that this silver was in demand only for remittance, bearing an agio varying from ¼ to 5 per cent. over the Spanish and Sicilian dollars which

continued to form the bulk of the circulation. For the commercial intercourse of Malta with surrounding countries was said to be "such that Spanish and Sicilian dollars inevitably compose its principal circulating medium; and unless both these coins have a fixed legal value at Malta a considerable amount thereof would become dead capital instead of being available at present;"* which last statement seems to mean that Malta must keep a supply of dollars to pay for its supplies from neighbouring countries; and that meanwhile they may as well be used in ordinary local transactions.

However nothing came of the proposal to deal with the silver part of the currency. Apparently the British Treasury gave up the attempt to import British silver, and the consignments of specie to the Island consisted mostly of Spanish dollars. The local merchants continued to keep their accounts in the old Maltese currency; and, "as the Maltese scudo had been commonly called, and considered as 2 *s.* between retail buyers and sellers, the former adhered to the old practice lest under the new system he should in his purchases lose the difference (20 per cent.) between the nominal and real value of the scudo."†

1834–1844. **The South American Dollar.**

On the 27th May 1834 was published the Order in Council ordaining that the dollars of Peru, Bolivia, Chili, and Rio Plata should pass current at Malta at 4 *s.* 4 *d.* sterling, equally with the Spanish pillar dollar. The irregularity in the weight (and fineness) of the new dollars, especially of those from the mints of Guadalajara and Zacatecas, soon caused inconvenience. In 1838 British silver bore a premium for shipment to England, as did the Spanish and Sicilian dollars for shipment to Italy and Sicily. The lighter South American dollars were monopolising the internal circulation of the Island. On the 10th June 1840 a leading firm of merchants reported that two bags of 1,000 South American dollars, for the most part quite new, proved to weigh only 830½ ozs. each instead of 866½ ozs. This was the same thing as a loss of 1½ *d.* on each dollar; and the Government was requested to take steps to prevent the further circulation of coin of such inferior weight. As, however, the Treasury merely inculcated caution in receipt of light dollars, very soon the local Government became more urgent; the heavier dollars—they pointed out—were being withdrawn, and the lighter ones were monopolising the circulation; and serious embarrassment was feared. The Treasury instruction to their officers was to receive the South American dollars of the average weight of 866 ozs. for

* It is interesting in the light of subsequent facts to note that at this time, in the course of the discussion respecting the demonetisation of dollars and the introduction of a purely local coinage, the Commissary remarked that, "notwithstanding Spanish and Sicilian dollars would have no legal value, they would in any circumstances have a conventional one, as Malta received its regular supplies of the daily necessaries of life from the surrounding countries."

† *See* note on page 310.

every 1,000 dollars; but when the large quantities were broken up, the natural tendency was to garble and export the heavier coins. And this went so far, that, "out of a payment of 20,000 dollars lately tendered to the Commissariat, 17,000 were refused." The tendency of the South American coin to remain in Malta was enhanced by its exclusion from France, Italy, Sicily, and the Levant. The holder of South American dollars in Malta was obliged to pay an agio of from ½ to 2 per cent. in order to obtain Spanish dollars for export; or if he exported the South American dollars he lost 4 to 5 per cent., and, if British silver, 8 or 10 per cent. of its nominal value.

The "evils" of the Malta currency at this time were thus summed up in a memorial from the leading firms :—

> "1. A depreciated British silver currency."
>
> "2. A currency of South American dollars unequal in weight of alloy, constantly depreciating by reason thereof, the more valuable dollars being collected for melting, and those of less value left . . . . with a continual importation of light dollars."*
>
> "3. The continuance of monetary donominations of account in a currency almost extinct causing the greatest perplexity."

and they advocated Mr. Christian's† plan of replacing the whole of the existing silver currency by special coins worth 4 *s.* each "of the old silver standard."

The Treasury, after some four years' consideration and repeated appeals, while combating the opinion that South American dollars were on the whole inferior in weight to those of Spain, admitted the over-valuation of the dollar as compared with British money, and attempted to rectify matters by the Orders in Council of 4th March 1844.

The first of these revoked the Order of 23rd March 1825, and the Proclamations of the local government, and confirmed the Proclamation and notices establishing British sterling as the standard. The second rated the Spanish, Mexican, and Colombian dollar at 4 *s.* 2 *d.* sterling. The Treasury further impressed upon the Government the necessity of care in rejecting light dollars.

This measure excited much consternation. When the Governor received it, he reported that the South American dollars formed at present the only circulating medium; Sicilian dollars did not

* One special inconvenience of the prevalence of light dollars was their refusal by the Commissariat in exchange for sterling bills on England, on the supply of which commerce was stated to be very dependent.

† The currency difficulties of Malta were taken up and argued with much ability by two leading residents, both engaged in Banking and Commerce, Mr. Christian and Mr. Papaffy. Their chief contributions are contained in pamphlets.

stay in the Island;* and all British silver had been sent to England as remittances "in consequence of the low rate of exchange." The action of the Government was thus looked upon as a forced depreciation of the currency. It was calculated that there must be a million of these dollars in Malta, giving a loss of 8,000 *l.* or 9,000 *l.*, which would, under the Order in Council, fall on individuals. And it was alleged in a Petition of Merchants forwarded by the Governor "that every kind of business has become most difficult, no faith whatever being now placed in the money which the Government is at present pleased to make legal in these islands . . . . They do not hesitate to say that the actual monetary situation of Malta is a positive calamity."

The first result was the presentation of a series of claims from the banks and mercantile houses, grounded partly upon the reduced rating of the South American coin, partly on the rejection of dollars under 17 dwts. 8 grains in weight; but in Mr. Christian's claim it was admitted that the depreciation of the South American dollar had already taken place, since defective minting had been soon discovered, "and the reduction now made by Government in its value had in part or entirely previously taken place for all purposes of foreign trade. No claim is made for Spanish† dollars, because they maintain their former value of 4 *s.* 4 *d.* to 4 *s.* 4½ *d.*"

In reply to these representations, the Treasury simply affirmed their former position, and in following it up with a large supply of British currency remarked that "as the receipt of this coin by the Commissariat and other public departments without limitation as to its amount, as well as its availableness for remittance to this country, will fully maintain its nominal value, Her Majesty's Government see no reason to doubt that it will very sufficiently answer all purposes of local currency, and that with the addition of British gold coin and of dollars at their proper weight and real intrinsic worth, there will be no want of an ample circulating medium of well-ascertained value." The Government further proposed to legalise, at its intrinsic value, the Sicilian dollar, which, notwithstanding that it was not legal tender, was now rapidly replacing the Mexican dollar, and was readily received by all classes at its previous value of 4 *s.* 2 *d.*, or 2 sc. 6 tari.

* Although they were conventionally overvalued. Evidently the lightness of the South American coins was such that they were more overvalued than the Sicilian coins. As soon as their legal value in Malta was reduced, while they could be passed elsewhere (*see* next page *ad med.*) at the higher rate, they rapidly left the island.

It will be observed that in Malta, unlike Gibraltar, the new dollars had rapidly taken a hold on the community; and distrust of them appears to have been the result of actual facts quite apart from the reduction of rating.

† The proportion of this latter coin held by the banks on the 31st July 1844 was declared to be :—

	Bank of Malta.	Anglo-Maltese.
Spanish pillar dollar - -	11,633	18,632
Mexican dollar - - - -	118,244	80,385

The liability of British silver to be withdrawn for remittance to England, had one very inconvenient result; it "had often deprived the inhabitants of the quantity of small silver necessary either to tender in payment of minor purchases in the shops and markets, or to give in exchange for larger coins.* It is but a few months ago that the whole bulk of the British silver almost entirely disappeared from circulation, and the supplies which have since been thrown in may be expected to follow as soon as the South American dollars, which are leaving the island very quickly, shall have been sent entirely away† At this period (October 1844) so great is the scarcity of British silver that persons pay from 1 to 1½ per cent. for it in Sicilian dollars to enable them to pay the customs, &c; thus enhancing the amount of the rents, &c., payable to Government. A great portion of the silver issued was kept back for remittance to England when the exchange with that country is unfavourable.

"It would be fallacious to expect that Mexican dollars can ever remain in circulation here at 4 *s.* 2 *d.*, and of a weight not under 17 dwts. 8 grs.: so unequal is the mintage of that coin that to make up 1,000 not under that weight, the weight of the whole will average 890 ozs., being 24 ozs. above the legal average weight . . . . . All Mexican dollars are still current in the Ionian Islands at the rate of 4 *s.* 4 *d.*, and find an equal value in Greece."

1845–1855. **Sicilian Dollar Monopolises Circulation at an Illegal Rate.**

With these considerations before him, the Governor reverted to the proposal for a special coinage of silver for the islands, and at the same moment pressed for the legalisation of the Sicilian dollar, which now absorbed the currency of the island, as equivalent to 4 *s.* 2 *d.*, as it was "the only coin now in Malta which really circulates without being subject to the agiotage of the money changers,"‡ and he urged that "nothing can be more paralysing to trade than having nearly the whole currency of the island consisting of a coin that is not a legal tender."

The Governor himself took the responsibility of authorising the receipt of Sicilian dollars at 4 *s.* 2 *d.* for Government rents at Gozo, as otherwise the rents could not have been paid.

On receipt of the result of the assay, and the proposal of Her Majesty's Government to legalise the Sicilian dollar at 4 *s.*, the merchants and the banks entered into an agreement "to receive and pay reciprocally the Sicilian dollar at the rate of 4 *s.* 2 *d.* for the term of six months from the 4th of March 1845, notwithstanding any law that may be made to the contrary." The Anglo-Maltese bank in protesting against the proposal in its bare form suggested the simultaneous limitation of the tender of

* Yet the Governor requested that British silver not lower than 6 *d.* might be sent. Many 3 *d.*, 6 *d.*, and 4 *d.* pieces had been received, but were not in favour, copper being better liked for such amounts.

† *See* note * on page 316.

‡ As of course was probable seeing that it was over-valued in Malta and came in naturally in the course of trade.

British silver to 40 *s.*, and the calling in of the "old depreciated coinage of the Knights of Saint John."

The reply of the Home Government was that their action was prompted by a desire for a more effectual assimilation "of the standard of value at Malta to that of the United Kingdom." An Order in Council was issued to legalise the Sicilian dollar at 4 *s.*, and the Governor was instructed to take measures for withdrawing the whole of the coins of the Order of St. John "from circulation at as early a period as the state of the Treasury may admit, by retaining such as may be paid into the public chests, and by fixing a period limited to a few days for the exchange at their present value of such as may be held by individuals for coins legally current." *

The action of the Home Government, however, failed to set matters on a right basis. Large supplies of British silver† were not acceptable to the mercantile community at Malta, who could only use it to pay for their imports from Sicily (and neighbouring places), by the round about process of remitting it to London in return for Spanish dollars. At the same time, as we have seen, it was in demand for payment of taxes and dues, and for remittances. Thus it might happen at the same time that the importers were seeking dollars to pay to their foreign agents, and other persons were seeking British silver to pay taxes; and this appears to be the explanation of the statement made by Mr. Papaffy in August 1845, that "at this moment no less than six different coins are a legal tender in the island, and there is not one of them which could be procured at its legal rate; they are all at a premium varying from 1 to 4 per cent., viz.:—

Maltese silver coins	- -	agio $\frac{5}{8}$ per cent.
British „	- -	„ $\frac{5}{8}$ „
British gold sovereigns	- -	„ $3\frac{1}{2}$ *d.* each.
Spanish pillar dollars	- -	„ $2\frac{2}{12}$ *d.* „
South American -	- -	„ $1\frac{1}{3}$ *d.* „
Sicilian - - -	- -	„ 2 *d.* „

"thus in every transaction the contracting parties are compelled to make a separate agreement with regard to the coin and the rate at which the payment is to be made. This is the actual state of our currency, arising from the arrangements made by Her Majesty's Government." And Mr. Papaffy, who apprehended a large influx of British silver, and a fiercer struggle of the agios, urged that some limitation on the issue of British silver was desirable.

* No action was taken on this, and the old Maltese coinage remained till 1886 (*see* p. 324).

† The Home Government was not unnaturally puzzled that British silver should circulate freely without a limit of tender in the British West Indies, while the Maltese merchants kept speaking of it as a "depreciated" currency. They did not fully appreciate the difference of circumstance. In their trade and associations the Maltese were largely foreign at that time, and by practical experience they knew that British silver did not go everywhere as easily as the British sovereign. Yet nothing could be more curious than the fact that this coin, over which they grumbled, actually bore an agio as against the (also overrated) dollars, being in steady demand for remittance to England.

Practical effect was given to the views promulgated by Mr. Papaffy, in the Convention of 29th August 1845, by which the Presidents of the banks and others, merchants and traders, "feeling the inconvenience which arises to commerce from the legal valuation of the Spanish and Sicilian dollar, established by the Proclamations of the 18th July 1844 and 16th July 1845, whilst British silver money continues an unlimited legal tender (although as compared with the legal valuation of the said coins, it is of 10 per cent. inferior worth), have resolved to continue the agreement of the 4th March last reciprocally to receive the said Sicilian dollar at 4 *s.* 2 *d.* each or 30 tari of Malta currency, and to extend the same to receive reciprocally the Spanish pillar dollar at 4 *s.* 4 *d.* or 31 tari and 4 grani each, and the Maria Theresa dollar at 4 *s.* 2 *d.* or 30 tari each. This agreement to hold good until the 31st December 1846, unless the British or Local Government should by an authentic and legal act ordain that no one shall be compelled to receive in any one payment more than 40 *s.* of British silver, in which case the present agreement shall be considered cancelled and of no effect, at the expiration of 30 days from the date of such authentic act of Government."

This convention was intended "to oppose an effective barrier to the too great influx of British silver, for though it could not prevent its entrance into the island, it diverted it into a reservoir, there to remain till the wants of remitters took it away to send back to England," and this result was claimed for it as otherwise "the Spanish and Sicilian dollar being considerably undervalued as relative to British silver, and even in comparison with pounds sterling, expressed in bills on England, would have been all exported in a few weeks."

The agreement was renewed from year to year, and Mr. Christian, in 1849, complained that "the island's monetary system is now in a state of confusion, more confounded than it was in 1844, or previously thereto." "The prices of all commodities are regulated by the current rate of the major part of the circulation, which consists of dollars of 4 *s.* 4 *d.* and 4 *s.* 2 *d.* each, whilst the payment to the sailor and soldier is supposed to be given at their intrinsic value in gold, or 4 per cent. less; it would, of course, be otherwise, if for 4 *s.* of pay due they received one (Sicilian) dollar, but this never happens, for the Commissary never receives dollars, and consequently has none to give. British silver has no circulation whatever in traffic of any kind, wholesale or retail. The local Government receives its Customs dues, &c., in British silver, because it is more advantageous for those who are debtors to the Local Government to pay in British coin, even with an agio of 2 to 2½ per cent., than to pay in dollars at a difference of 4 per cent. below their value in mercantile operations, or in the estimation of the shopkeepers. In like manner the Commissary of the troops has British silver only tendered to him against his bills on England for which he has of late obtained a premium of 5 *s.* to 10 *s.* on every 100 *l.* in bills, whilst to the taker of the bills they cost 2 *l.* 5 *s.* to 2 *l.* 15 *s.* premium, by reason of the agio he has to pay to the money changers for collecting British silver. Thus, in this little island, there are two distinct currencies, one for all purposes connected.

with the Government, and another for all the transactions of foreign and domestic commerce."*

The state of things alluded to produced a special difficulty in regard to small change. There were no ⅛- or ¼-dollars of Spain in Malta in 1849, and but few Sicilian ⅛-dollars. English shillings and sixpences were hoarded or bought up to pay Government dues. "It frequently happened that a shopkeeper refused to sell the value of sixpence or a shilling, or he insisted on one, two or more pence to change a dollar." Petitions were made to the Government and no relief obtained. So that the Chamber of Commerce made interest with the Government of Naples, and, in return for Spanish dollars, brought to Malta 138,000 pieces of 2 carlini or 8⅓*d.* each, and 12,000 pieces of 1 carlino or 4⅙*d.* each. These afforded "a great (but temporary) relief, for even this small coin does not escape the avidity of traffickers in agio."

The British Government were finally persuaded to take action on these repeated representations, by a memorial of the Chamber of Commerce of February 1850. The Chamber alleged that their convention answered its purpose as regards foreign commerce, but there was a scarcity of silver in change: and the appeal turned on the agio on this silver and its results. In November 1850 two Orders in Council and Proclamations were issued. The first Order in Council and Proclamation, after reciting that "the coins current in Our Island of Malta, . . . consist partly of the current coins of the United Kingdom and partly of the gold and silver coins of Foreign States," gave the five-franc piece currency at 3 *s.* 11 *d.* The second Order in Council enacted that from and after the date of the publication of these presents the following coins should pass current at the following rates in Maltese currency in substitution for those enacted by the Order in Council of 1844 :—

Coins.	Rate in the Maltese Currency.		
	Scudi.	Tari.	Grani.
British :			
Sovereign	12	6	—
Half-sovereign	6	3	—
Crown	3	1	10
Half-crown	1	6	15
Shilling		7	10
Sixpence		3	15
Fourpence		2	10
Threepence		1	17½
Penny			12½
Foreign :			
Doubloon of Spain, Mexico, and South America	40	—	—
Dollar of Spain, Mexico, and South America	2	7	5
Dollar of two Sicilies	2	6	
Five-franc piece of France	2	5	7½

it also placed a limit of 2 *l.* or 25 scudi on the tender of silver.

* From Mr. Christian's pamphlet of 1851.

The admission of the doubloon and South American dollar into the schedule caused a protest from the Governor, who delayed publication of the Order; but he was overruled on the ground that the mere rating of a coin could not bring it into circulation if it was already excluded, and the Order was published on the 10th of March 1851.

The other effect of the Order, which seems to have caused some heartburning, was the apparent effect on the nominal value of the scudo caused by raising the rating of the sovereign from 12 scudi to 12½ scudi.*

Although this Order in Council for the first time established the currency of Malta on a sound basis, viz., that of English gold with foreign coins accurately rated for concurrent circulation, it did not immediately find favour with the merchants as a body. A week after the promulgation of the Order they signed an agreement on the lines of the previous convention of 1845 and succeeding years, whereby they decided to receive and pay—

						s.	d.
The Spanish pillared dollar	-	-	-	at	4	4
The Sicilian „	„	-	-	-	„	4	2
The Maria Theresa	„	-	-	-	„	4	2
The five-franc piece	-	-	-	-	„	3	11½

It is not quite clear on what grounds this convention recommended itself to the majority of the merchants, who had obtained the object stated as the motive of the former convention, viz.: the limitation of British silver. But a local view of the matter is given in the following extract:

"That the Convention of 1851, sanctioned by the Chamber of Commerce, was like its predecessors readily accepted by the public at large, is however no matter of surprise for anyone acquainted with the circumstances of Malta. Two causes contributed to that effect: 1st, the strong influence of the higher class of merchants on shopkeepers and other small traders . . . 2nd, the temporary and slight confusion caused in the retail trade among the lower classes, by the unavoidable alteration of the value of the British shilling and penny as compared to Maltese money . . . no coin being in existence corresponding to half a grano."

The convention was renewed, and was still in force in June 1852,† when the Governor called attention to the nullity of the Order in Council, and to the fact that the convention really regulated the currency. British silver having become a glut, there was 51,000 *l.* in the Treasury alone which he was anxious to exchange for gold, as the troops were said to suffer. In consequence of the continuance of this state of things, and as a result of a report of the Auditor-General in 1855, the Order in Council of 13th August 1855 (which was proclaimed in the colony 4th October 1855) made British coins the sole legal tender in the islands.

* *See* note on page 310.

† The convention appears not to have been formally renewed after this date, but the merchants acted upon it and the public followed them.

1855–1886. Sicilian Dollar Holds its Ground though Demonetised by Law.

But the new Order in Council made no difference. Except in the payments of and to the Government the circulating medium remained the Sicilian dollar at 4 *s.* 2 *d.*

In 1865-6 the subject of the currency was actively discussed in the local press without result. In 1872 Mr. Papaffy called attention to the danger of the continuance of this conventional currency. "It is notorious," he wrote, "that all the Sicilian dollars at present in circulation were imported into the island by a few merchants exclusively for their own benefit." He foresaw the fall of silver in value, and pointed out the danger of having as the ordinary currency a coin as to which the Government of Italy had already in 1861 provided that it should only continue to pass current for a time at 5 lire 10 centesime. The local Government were struck by his representations, and the question of prohibiting the further importation of Sicilian dollars as a preliminary step to getting rid of them was raised in the Council. The Government reported that the proposal was well received by the inhabitants generally, but objected to by the merchants.

"Retail dealers, naturally enough, refused to exchange a Sicilian dollar for British silver without a payment equal to the agio on British currency," which at this time is stated to have been 7 *d.* to 9 *d.* per 1 *l.*, or from 3 to 5 per cent. "Government servants being charged the same prices, whether they pay in British or Sicilian coins, exchange the money they receive from Government at the money changers at a profit of between 5 *d.* or 7 *d.* per 1 *l.* sterling. Government contractors do the same, but pay their wages in the Sicilian dollar." Thus a workman entitled to 4 *s*, and receiving from his employer a Sicilian dollar, is required to return 2 *d.* on the latter, but going to the market for necessaries has to suffer a loss. It also appears that the Sicilian coins, equal to one-sixth of a dollar—equivalent to 8 *d.* and 4 grs.—are by the shopkeepers and others exchanged for 8 *d.* and a farthing, *i.e.*, one grain less than it should be."

But what between the opposition of the interested parties, and the stringency of the interference advocated by the Governor and his advisers, nothing was done at this time; and it took a real crisis 13 years later to rudely wake the mercantile community out of their complacent reliance on the old Sicilian dollar.

On the 13th of October 1885 the Italian Government issued a notice that as from the 16th instant certain gold and silver Bourbon and Papal coins, not on the decimal system, should cease to be a legal tender. Amongst the silver coins named were included "the coins struck in Sicily under the old denomination of 'onze' as regards gold, and of 'tari' as regards silver." Up to the 31st of December 1885 the Government would exchange the demonetised coins for legal coins.

A month later the Malta Chamber of Commerce became aware of the resolution of the Italian Government, and they immediately appealed to their own Government for aid. The dollars in the hands of the banks would, of course, be shipped for ex-

change without difficulty. But large numbers of Sicilian dollars were spread throughout Malta and Gozo, and most of them were in the hands of illiterate persons, who hoarded large numbers. It was clear that the great bulk of any loss would fall on the poorer people. The coin was intrinsically worth only about 3 *s.* 4 *d.*, as against the 4 *s.* 2 *d.*, for which it had been conventionally received and paid in Malta.

The Government acted with promptitude; the banks and the ecclesiastical authorities worked heartily with them. A special organisation was arranged with the aid of the two banks for collecting, testing, counting, and shipping the coin. The efforts of money-changers in collecting the dollars at a discount were thus thwarted by the Government.*

On the 24th November a notice was issued that the Government would undertake to receive Sicilian dollars and to send them to Italy for exchange, that the Government would as soon as possible pay to the depositor of Sicilian dollars the amount of British currency realised by the exchange, deducting share of expenses and loss; that a receipt would be issued from the Treasury undertaking to pay to depositor or bearer the amount to which it entitled him according to the number of dollars therein stated. The notice concluded with a very clear reminder that British currency alone was the currency of Malta.

Immediately afterwards an order was passed to prohibit the importation of the Sicilian dollar. The 10th of December was the day fixed for closing the collection of the demonetised coins; and on the 15th the Governor reported that he had shipped to the ports of scrutiny 1,842,530 dollars besides large amounts shipped by private individuals. It was afterwards ascertained that the latter amounted to not less than 968,603 dollars. Thus the Maltese community sent altogether 2,811,133 dollars to Italy to be changed, or about one-eighth of the whole number sent in.†

Meanwhile in order to anticipate the embarrassment caused by sudden withdrawal of the circulating medium and to prevent the importation of large quantities of Italian lire and other foreign coins, efforts were made both by the Government and the banks to import British silver, and to make all payments in that coin. But for a short time it ran up to a premium of 8 *d.* in the £., or 3⅓ per cent., as against gold. For the same reason when the dollars were changed by the Italian Government (at 5 fr. 10 c. each), arrangements were made with the Banca Nazionale d'Italia to give credit for the value by bills on London.

The amount paid being equal to 4 *s.* 0·5233 *d.* per dollar, the Government was enabled to pay the depositors 4 *s.* on each.

* "Arrangements will doubtless be made by private enterprise," wrote the Secretary of State, "to take charge of the exchange of the coins at a trifling cost." "I regret to have to state," replied the Governor, with a touch of grim humour, "that private enterprise has been devoted to making as much money as possible out of the situation, and that if the Government had not interfered the population in general would have been victimised for the benefit of a few capitalists."

† Out of the whole number only two were found false. Certain foreign coins were included in the shipment.

Thus with very little loss to the community this episode ended and British silver became the actual as well as the legal currency of the colony.

1886 onwards:—British Sterling the Sole Currency.

To complete the improvement thus obtained, the Order in Council of 1886, after reciting that "it is desirable that it should be placed beyond doubt that the coins of this realm are the sole legal tender for payment within the said island and its dependencies," definitely enacted that all British coins which then were or might hereafter become legal tender in the United Kingdom should pass current and be the only legal tender, thus demonetising the old Maltese coinage, which was received up to a certain date, and withdrawn by the local Government. The Order also made a special concession to alleged local conditions by raising to 5 *l.* the limit of the legal tender of silver.

Bank Notes.

There are three banks in Malta, two of which have been established since the years 1809 and 1810, respectively. These two essentially Maltese banks enjoy great credit and hold the bulk of the savings of the community. Both issue notes, and some years back the note circulation was on the average little less than 60,000 *l.* a year; but when, in 1886, they discontinued their charge of 5 *l.* a year for keeping an account, many new accounts were opened, and the use of cheques was introduced; the effect was to curtail the note circulation, which has fallen away to about 26,000 *l.*, about equally divided between them. The note issue of the Malta branch of the Anglo-Egyptian Bank, which used to average about 8,000 *l.*, has been discontinued.

The local notes are believed to be chiefly held by illiterate persons, and not by the trading community. Certain money changers have made an effort amongst these people to put their own promissory notes into competition with those of the banks.

The amount of coin and notes in circulation in Malta and Gozo is estimated as in the following table:

	£.	£.
Coin:		
English gold	305,000	
„ silver	120,000	
„ bronze°	5,000	
		430,000
Foreign gold (Napoleons)	50,000	
„ silver (five franc pieces)	10,000	
		60,000
		490,000
Bank notes:		
Local	26,000	
English and foreign	5,000	
		31,000
Total		521,000.

This gives close on 3 *l.* 3 *s.* 9 *d.* per head of the population, of which 3 *l.* is in coin and 3 *s.* 9 *d.* in notes; but the habit of hoarding is inveterate in this community, and when the hoards and the holdings of the bank are deducted, the "active" circulation must be much less.

° The only coin peculiar to Malta is in bronze, viz., the 'grain' or one-third of a farthing. From 1866 to the end of 1891, the Island has received 550 *l.* in this coin from the Royal Mint.

CHAPTER XXXIII.

Cyprus.*

It is hardly necessary to consider the monetary history of Cyprus earlier than the date of the British occupation. As it passed from the Templars to the Venetians and then to the Turks, it left behind the era of besants, sequins, and ducats; three centuries of Turkish rule left only the debased Turkish coinage and depreciated paper.

The nominal scheme of the ordinary Turkish currency appears to have been as follows:—

40 paras	=	1 piastre (silver),
20 piastres	=	1 mejidié (ditto).
5 mejidié	=	1 lira (gold).

but, in fact, it had become much more complicated.†

In July, 1878, the currency of the Island consisted of the following Turkish coins:—

Gold.

5-lira piece.
1 „ „
½ „ „
¼ „ „

Silver.

1 Mejidié.
½ „
¼ „
2-piastre piece.
1 „ „
½ „ „

Copper.

1-piastre.
½ „ (also called 20-para piece).
¼ „ „ „ 10 „ „
⅛ „ „ „ 5 „ „

Métallique (i.e., *Plated*).‡

1st issue:—
6-piastre piece (the altilik).
3 „ „ or half altilik.
1½ „ „ or quarter-altilik.

2nd issue:—
5-piastre piece (the beshlik).
2½ „ „
1 „ „
½ „ „ (also called 20-para piece).
¼ „ „ (also called 10-para piece).

all of which were in actual circulation, besides napoleons and a few sovereigns.

There was also a considerable amount of inconvertible paper called in Turkish "Caime,"§ which is practically equivalent to

* I have to express my acknowledgments to Mr. Thompson, the Colonial Secretary, and to Mr. Taylor, the Receiver General, for interesting information.

† The vagaries of Turkish currency produced five different piastres: gold, silver, plated, copper, and paper. The "gold piastre" often referred to was never a coin; it was gold accounted for in piastres at the rate of 100 to the lira, which gives 111½ "gold piastres" to the 1*l.* sterling. A "para," therefore, in fact might mean any one of five different money-values.

‡ The *métallique* coinage was of two descriptions: the coins of the *altilik* class issued in 1833 and containing from ·455 to ·480 of silver, the *beshlik* and its sub-divisions issued during 15 years prior to 1843, and containing only ·166 to ·172 of silver.

The word *alti* is Turkish for six, and *besh* for five; *lik* is a termination of general import and various uses, one of which is to attach a concrete meaning to any idea.

The word *miri*, which is found used in connection with these coins, means simply "belonging to the Government."

§ The word *kaïm*, plur. *kaïme*, in Turkish, means "upright," and comes to be used for a bond, hence for the Treasury note.

"Treasury notes." The face value of these ranged from 1 to 100 piastres.

It will be seen that there were practically four different kinds of coins bearing the name "piastre"* :—a silver piastre of 18.6 grains weight and 830 millesimal fineness; two kinds of plated piastre; and a copper piastre.

The most ordinary coin in general use was the last named; there was no limit on the amount for which it might be tendered, and the actual result was exactly that which currency laws demanded, viz., the larger the sum to be paid the greater was the number of copper piastres demanded for a given amount of silver. Thus:—

1 silver piastre exchanged for	1	copper piastre	15	paras.	
1 mejidié	"	"	30	"	*i.e.*, 1 c. p. 20 paras per silver piastre.
1 lira	"	"	160	"	*i.e.*, 1 c. p. 24 paras per silver piastre.

These progressive additions to the rate at which larger sums exchanged for copper piastres appear to have been more or less arbitrary—*e.g.*, for the 5-lira pièce they were reckoned at the same rate as for the lira, and according to the value assigned to the Napoleon, they were taken at a slightly lower rate than for the lira. This may be due to the better credit of the mint from which the Napoleon issued.

In fact there was no one definite value for any coin, and there were different rates ruling at the branches of the Ottoman Bank and in the bazaars; the depreciation of copper having gone further in the open market. Thus—

		c. piast.	paras.		c. p.	paras.
Mejidié	= at the Bank	20	10	and in the Bazaar	30	0
Silver Piastre	= " "	1	0	" "	1	10†
Altilik	= " "	6	0	" "	8	0
Beshlik	= " "	5	0	" "	6	30

The sovereigns and napoleons which were in circulation at the time of the occupation were current, as follows :— ‡

1 sovereign	=	115 silver, or 175 copper piastres.
1 napoleon	=	93 " or 140 " "
1 gold lira	=	105½ to 106½ silver, or 160 copper, piastres.

The Napoleon appears to have been pretty common, as the tithe farmers, six months after the occupation, are said to have had a large quantity of them. Of sovereigns there were but few.

The total amount of coin was estimated at 30,000 *l.*, and of caime at 1,000 *l.* The great bulk of the coin was in copper piastres and their fractions, and plated coins. The latter were almost exclusively the currency of the Limassol and Papho districts, the rest of the Island being dominated by the copper.§

* The piastre of Turkey is the illegitimate descendant of the piastre or pillared dollar of Spain, reduced by a series of debasements from the sterling value of 4*s.* 2*d.* to that of 2*d.*

† It varied from 1 p. 10 paras to 1 p. 20 paras. It will be noticed that the Bank, like the Turkish Government, counted all piastres alike.

‡ The valuation of the gold coins at the Turkish Government Treasury and Telegraph Office seems to have been lower.

§ *See* note to p. 331.

Reform of Currency under British regime.

The first act* of the British Government in regard to currency at Cyprus was the instruction of the Board of Treasury that for the purpose of issue from the Treasury chest for the pay of the troops, &c.

	s.	*d.*
The napoleon should be taken at - -	15	10
The Turkish lira at - - - -	18	–
The mejidié at - - - - -	3	7

This rating for issue naturally determined the rates at which the military authorities supposed that they were to receive the mejidié as compared with the lira, but the High Commissioner was quickly advised to disregard the instruction so far as it related to the mejidié, which was over-valued by more than a 1 *d.*, and he fixed the value of that coin for receipt at 3 *s.* 6 *d.*

It was necessary for a time to continue to receive in the depreciated paper certain taxes which had been customarily so received; but it was proposed to unload such paper and other depreciated Turkish money as might accumulate in the Treasury as part of the payment which would have to be made to the Porte under the Convention of 1878. Grasping at once the inconveniences of the changeable Turkish currency, the High Commissioner made certain proposals for getting rid of the worst of the current coin and urged the introduction of the British currency system.

The Treasury pointed out that to introduce at once into Cyprus what was practically a foreign currency system would be unwise, and that for the present the new administration must work on the basis of the existing system. But they approved of the proposals intended to drive out the debased coin: and, with the concurrence of the Treasury as to the rating of the sovereign and lira, the High Commissioner, in October 1878, issued a notice determining the rates at which gold and silver coins should be received in payment of Customs dues as follows:—

	s.	*d.*					
English sovereigns =	20	–	–	120	silver piastres,	or 180	copper ditto.
„ ½ „ =	10	–	–	60	„	„ 90	„ „
„ shillings =	1	–	–	6	„	„ 9	„ „
French napoleon =	15	10	–	95	„	„ 142½	„ „
„ ½ „ =	7	11	–	47½	„	„ 71¼	„ „
Turkish lira =	18	–	–	108	„	„ 160	„ „
„ mejidié =	3	6	–	21	„	„ 30	„ „
„ piastre =	–	2	–	1	„	„ 1½	„ „

This table was not absolutely accurate. The rating of the sovereign appears to have been purely empirical, based on its

* When the troops proceeded to take over the Island, the Home Government telegraphed to the Staff Paymaster who accompanied the force, and had charge of the Treasury chest, to take British sovereigns, not Australian coins or half-sovereigns. It was subsequently explained that the Australian sovereigns would probably be looked on with distrust, and that half-sovereigns were unknown in the Levant.

fine content as compared with the lira, and, as a fact, the lira was undervalued as compared with the sovereign by ⅓ of 1 *d.*: but this was favoured as tending to keep sovereigns in the Island. The mejidié was rated too high, and as that coin began to flow into the Treasury, the notice was amended so as to reduce the rating to 3 *s.* 4 *d.* or 20 piastres.

The more important point, however, was the valuation of sterling in the copper piastres which formed the bulk of the currency. The copper piastre was more depreciated in value in Constantinople than it was in Cyprus, and the liras which were received in exchange for 160 copper piastres in Cyprus were shipped to Constantinople and exchanged for 177 copper piastres so that it was profitable to export Turkish gold, and impossible to keep it in circulation in the Island. The same operation was not so readily performed in regard to the sovereign, and the tendency to export it was checked by the Government rating; as the sovereign could be purchased for 175 copper piastres in the bazaars, and the people made a sufficient profit on paying it into the Treasury at the advertised rate.

It soon became apparent that stability demanded another change, the substitution of a British for a Turkish copper piastre. For, on the one hand, the natives in their ordinary dealings declined to take the sovereign for more than 175 copper piastres and the shilling for more than 8½; on the other, in Constantinople, the sovereign was worth a varying number of copper piastres which at this time was pretty steady at 197.

Meanwhile certain progress was being made in the direction of clearing out the debased coinage. By the 7th of November, or within about three months of the occupation, the High Commissioner had reported that the inconvertible paper had disappeared from circulation; no one would receive it, except the Government, to the extent above referred to, and only up to the 1st of April 1879; so that the paper portion of the currency was thus disposed of. On the 1st of January 1879 notice was given that the importation of the plated coinage was prohibited after the 15th of January.

A little later the Government agreed to the proposal to strike a new bronze piastre, half-piastre, and quarter-piastre, for Cyprus; they concurred in Sir Garnet Wolseley's view above quoted, that the time was opportune, and they accepted without question his suggestion that 180 of the new piastres should go to the 1 *l.* sterling. At this rating one copper piastre equals 1⅓ *d.*, and as a penny weighs 145·833 grains, the proportionate weight of the new piastre should have been 194·444 grains. The authorities, however, decided to fix the weight at 180 grains. This did, in fact, more nearly correspond with the value of the copper piastre at Constantinople, and was obviously a convenient approximation, but it at first caused some disappointment to the local authorities, the new coin being smaller* than that which it replaced, and viewed therefore with some suspicion by the ignorant. On the obverse of the coin was the effigy of the Queen, with the words "Victoria Queen," and date; and on the

* In fact being about the size of the Turkish half-piastre.

reverse the numeral 1, ½, or ¼, as the case might be, with "Cyprus" above, and "Piastre" below.

On receiving the Imperial decision, Sir G. Wolseley at once issued a notice that, after the 13th of March 1879, no métallique (plated) piastres would be received at the Government Treasuries; and, after the 31st of March, none of the other plated coins (beshliks and altiliks) nor caime; the latter had just been repudiated by the Porte.

This notice aroused the apprehension and evoked the protest of the Limassol district, where the plated coins were the chief medium of circulation; but on investigation it turned out that the excitement was solely the work of the money changers who had made a good thing of the fluctuation in value of the plated coinage, and of the necessity of obtaining copper piastres for business with other parts of the Island. The poor themselves were easily affected by any suspicion because they had been led by Turkish rule to expect constant extortion. The only outward sign of agitation was the closing of the front doors of the shops of certain merchants, business being carried on at the back of the premises as usual.

The rapid changes in the value of currency at Constantinople at this time impressed on the British Government the necessity of speedy measures to place the currency of Cyprus on a firm basis. With the repudiation of the caime the value of the copper piastre rose sharply*, the lira exchanging for 140 of these coins instead of 182 within a few days; the value of silver mejidiés was also rising, and this appreciation of the Turkish coins at their centre was favourable to the efforts of the British Government to displace them. But the High Commissioner, while he favoured the idea of legalising only the money of Great Britain and the local piastres, deprecated at present any final proclamation making certain coins a legal tender†. He referred to the suspicious nature of the people, and proposed to observe in the course of a short period which of the coins received at the Treasury they preferred in their dealings with one another.

On the arrival of the new copper in April 1879 a notice was issued that Turkish copper would be exchanged against English coins or received in payment of taxes up to the end of August, and to no later date. But the Cyprus bronze did not at once

* Up to 10 or 12 years prior to the occupation of Cyprus, the silver and copper piastres ran pretty evenly together; silver at 101–3, copper at 107–10 to the lira. Gradual overcoinage of copper brought the latter down to 137 to the lira, and at this they stood at the time of the issue of the caïmé (1876); the caïmé were issued at 130, and then both copper and caïmé declined gradually to 160. Caïmé were over-issued, till in 1878 they had fallen to 315–25. Their repudiation was followed by over-coinage of copper, which brought the copper piastre down to 600 to the lira in spite of the prohibition of its importation into the ports of the Empire.

† The Home Government substantially agreed in the local proposals, but took exception to the adoption of £. *s. d.* as the money of account by the local Government, and an interesting controversy arose round the question of the piastre as a currency unit, due to a failure to apprehend the fact that as long as the piastre was a Turkish denomination with no fixed value it was naturally an impossible unit; as soon as a new and definite British copper piastre was introduced it became possible to have the money of account as £. *s.* and *c.* piastres.

make its way in popular favour; and a good deal of the Turkish coin remained in ordinary circulation. Accordingly when the Porte met the rise in the value of their copper coin by coining more copper, which immediately began to fall, certain merchants smuggled large quantities into Cyprus, and unloaded them on the poorer and more ignorant part of the population. The bakers of Nicosia threatened to close their shops as no one would pay them in anything but Turkish copper. The Government therefore furnished police guards to the bakers for their protection, and informed the people that they had had the opportunity of exchanging their Turkish copper up to the 31st August, that its importation had been illegal, and the Government could not be responsible for the loss they were suffering by using it. This little incident gave the English copper a better start.

Meanwhile a fresh apprehension had arisen from the large quantities of silver in the Island, to the tender of which there was no limit; the sovereign bore an agio even against British silver. The chief danger arose from the rupee. Its value in exchange at the Government Treasuries had been fixed at 1 *s.* 8 *d.*; and a fall in its gold-price elsewhere brought a quantity into the Island, the Banks being able to land them in Cyprus at a net cost of less than 1 *s.* 7 *d.*, and so to gain about 1 *d.* on exchanging each rupee. In these circumstances the High Commissioner reduced the rating of the rupee to 1 *s.* 7 *d.*, pending its demonetisation by the notice of 31st July (*see* below); and on the 26th July, 6,000 *l.* of silver specie was shipped to England. Further, "in order to raise the value of silver and copper," which meant no doubt in order to prevent the British coins from being unduly depreciated, he ordered that these coins should be received without limit in payment of taxes. Concurrently, the Turkish mejidiés were flowing out to Constantinople, where, as mentioned above, their value had considerably risen. So that towards the end of July 1879, it was stated that "the money transactions of the Island are taking place almost entirely in English coinage."

On the 31st July, the following notice was issued with a view of putting things on a sound basis:—

"From and after the 1st September 1879 the following coins and no others will be received into and paid out of the Treasuries in Cyprus.

Gold Coins.

All English gold coins.
All Turkish „
All French „

Silver Coins.

All English silver coins. (Except the half-crown and the fourpenny piece.)

The Turkish medjidié and its fractions, including the silver piastre and its fractions.

N.B.—The rupee and its fractions will not be accepted at the Treasury.

Copper Coins.

The new English piastre and its fractions.

The rate at which these coins will be received and issued by the Treasuries will be regulated by the following table:—

Gold.		
English sovereign	=	20 shillings.
„ half sovereign	=	10 „
Turkish lira	=	18 „
French 20-franc piece	=	15 $\frac{10}{12}$ *s.* (or 15 *s.* and 7½ English copper piastres).
Silver.		
Medjidié	=	3⅓ *s.* (or 3 *s.* and 3 English copper piastres).
Florin	=	2 *s.*
Shilling	=	9 English copper piastres.
Sixpence	=	4½ „ „ „
Threepence	=	2¼ „ „ „
Silver piastre	=	1½ „ „ „
Copper.		
English piastre	=	40 paras.
„ half piastre	=	20 paras.
„ quarter	=	10 paras.

The English copper piastre and all English silver coins will be received up to any amount into the Treasuries in payment for the taxes of the current year.

Up to the 31st August next English copper coins (pennies and halfpennies) and Turkish copper piastres* will be received into the Treasuries in payment of taxes or in exchange for other coins at their tariff values, but they will not be received after that date.

His Excellency hereby directs that on and after the 6th August 1879 the importation of silver or copper coins into any of the ports of Cyprus is prohibited."

The half-crown was not legalised because the natives were found to confuse it with the florin. In view of the decision to coin a bronze (copper) piastre, British pence and halfpence were wisely withdrawn as rapidly as possible.

By the end of the first quarter of 1880 the High Commissioner could claim complete success for his efforts. He pointed to the mejidié as having [just] been depreciated 5 per cent. by the Sultan. He reported that the new quarter-piastre was beginning to go off well, so that the bronze coinage had got well hold of the people, and during the two succeeding years the only feature in currency history was the recurring requisitions for more bronze coin, half-piastres and quarter-piastres as well as the piastre.

* By a subsequent notice, dated 22nd August 1879, the words "and Turkish copper piastres" were struck out, as a great amount of smuggling was taking place in those coins.

The following Table shows the movement of gold in Cyprus to the end of 1881:—

	IMPORTS.			EXPORTS.		
	British.	Turkish.	Napoleon.	British.	Turkish.	Napoleon.
	£.	£.	£.	£.	£	£.
1878 - - -	67,000	14,000	751	7,300	7,000	27,000
1879 - - -	56,192	5,370	17,497	21,131	6,102	19,390
1880 - - -	43,331	4,626	5,179	17,155	5,943	5,747
1881 - - -	78,436	3,254	5,966	15,905	8,662	15,811
£.	244,859	27,250	29,393	61,491	27,707	67,948

From this it appears that English gold was steadily forming a larger part of the circulation of the Island, apparently driving out the French napoleon. And when the question of the coins to be legalised was finally being considered, "the Manager of the Anglo-Egyptian Bank deprecated making the lira and napoleon a legal tender on the ground that bills drawn in Cyprus expressed in these coins might then be paid in English gold at a lower rate than the actual rate of exchange prevailing in the market," a statement which goes to show that the sovereign bore an agio as compared with the foreign gold.

It should be noted that the course of the trade of Cyprus is with gold-using countries, chiefly England, France, and Egypt.

On the 12th of June 1882 the satisfaction of the Government with the existing position of the currency was marked by the publication of Her Majesty's Order in Council of 3rd May 1882, whereby as from the 1st of August 1882 the following coins became a legal tender at the rates and for the amounts subjoined:—

	Value in Cyprus Piastres and Paras.		Limit of Tender.
GOLD.			
Sovereign - - - - -	180	—	None.
Half ditto - - - - -	90	—	
Turkish Lira - - - - -	162	—	
French 20-Franc piece - - -	142	20	
SILVER.			
Florin - - - - - -	18	—	3*l.* = 540 Piastres.
Shilling - - - - - -	9	—	
Sixpence - - - - - -	4	20	
Threepence - - - - - -	2	10	
BRONZE.			
Piastre - - - - - -	—	40	3*s.* = 27 Piastres
Half Piastre - - - - -	—	20	
Quarter ditto - - - - -	—	10	

"Provided always that in all contracts made previously to the day to be fixed by Proclamation . . . in which any sum of money was expressed in silver piastres, it shall be lawful to discharge the debts created by such contracts in gold coin at the rate of 120 silver piastres to the sovereign, and so on in proportion," and a similar saving as to contracts in other coin, chiefly viewing the métallique.

At the same time it was proposed to remove the prohibition on the import of (British) silver. This could, probably, now have been done with safety as the tender was limited. Previously there would have been no certainty that a large supply of British silver would not have depreciated the coin in the eyes of the Cypriots, who, of course, were not aware that its issue was limited in London, and were only alive to the positive fact that British silver is not accepted in the Levant, and elsewhere, except at a discount. As a matter of fact, however, the prohibition still remains in force.

Thus, the Cyprus currency settled down on the British basis, with the substitution of their own copper tokens for the pence of the United Kingdom.

The only trouble which has since occurred in regard to it is the persistence with which the traders of Limassol and Papho decline to recognise the new piastre in their accounts. Although the métallique and silver piastres, and their fractions, have practically disappeared,* they still cling to their old money of account, fearing that the bronze piastre might have the effect of lowering the prices they receive for their goods.† Thus in Limassol all transactions are conducted in piastres of the nominal value of 132 to the £1 sterling, at Papho in piastres of 120 to the £1. This obviously gives an opening for a considerable amount of juggling with values in which the smarter calculators get the better of the English people and their servants.‡

* These coins had ceased to circulate by 1880; they were exported in greater or less quantities up to 1886, when they disappeared altogether.

† Mr. Taylor recollects a villager coming into the bazaar at Papho to buy an oke of nails. The first man he went to asked 4½ copper piastres; his rival next door heard it and said he would let him have the same nails for 3 piastres (meaning silver). There was no time to explain the trick to the villager, who bought the nails at 3 piastres, but, of course, gained nothing. The man who had adopted the copper rate came to the conclusion that it lost him custom, and that rate "has never had a chance in Papho since."

‡ Mr. Taylor, Receiver General, states that "the argument of the inhabitants of these two districts was that the *legal* Turkish currency was the metallic, and that the copper piastre was a debased currency which was only intended to be used to supplement the metallic, and provide small change for small transactions. It became so common at last that most of the districts in the Island found it convenient to use the copper piastre as the standard; but this, so Limassol and Papho argued, was strictly illegal, and they declined to be led away by the evil example of the rest of the Island.

"When metallic became so depreciated as to cause great inconvenience (at the end of 1878, or beginning of 1879, I think), the merchants of Papho held a meeting and decided to conduct all their transactions in silver piastres at 120 to the £. The question of adopting the copper piastre rate was suggested, but, I believe, unanimously disapproved of.

"The arguments now used against any change are the inconvenience that would be caused in transactions which are still pending, the opening that

The Government called attention to the matter by a Notice of 15th November 1884, stating that the consideration in contracts should never be expressed in silver or métallique piastres, or their parts. Their action produced notices from the principal traders of Limassol and Papho in the following form:—

"We, the undersigned, promise that on and after the 1st of January 1885 we will carry on our transactions in accordance with the order of our respected Government, dated the 15th November, which fixes the pound sterling at 180 Cyprus piastres, whereas up to the 31st December our transactions are, as is known, carried on with the £. at the rate of 132 [*for Papho* 120] piastres." This, however, did not settle the matter; the conventional piastre still holds its ground. Legislation was suggested, but was, of course, impracticable, as dealing in an imaginary denomination is no offence against law, and does not affect the actual currency of the Island.

The coins now usually seen are British gold and silver (excepting of course the half-crown), and the Cyprus piastres and their fractions; a few French 20-franc pieces occur, but Turkish liras are rare; the half and quarter lira, which at one time were common, have now disappeared.

There is no note-issue current in the Island.

The only Bank is the Imperial Ottoman Bank. It had been established in Cyprus for some years prior to the British occupation and bought out in 1890 the business of the branch of the Anglo-Egyptian Bank established at the time of the occupation, thus securing a monopoly of the banking business. The Imperial Ottoman Bank now has branches at Larnaka,* Limassol, and Nicosia, with agencies at Famagusta, Papho, and Kyrenia; its head office is at Constantinople. Its note-issue does not circulate in Cyprus.

The amount of coin in circulation is estimated as being:—

	£.
In English Gold - - - - - -	310,000
„ Foreign Gold - - - - - -	23,000
„ English Silver - - - - -	62,000
„ Cyprus Copper - - - - -	8,000†
Total - -	£. 403,000

or about 2 *l.* per head of population, inclusive of the bank's holding.

would be given to unscrupulous persons to take advantage of the ignorant villager during the change, and the probable reduction in the rate of wages, and price of produce."

This statement, however, is not quite consistent with one from another source, that copper was current in all parts of the Island till a few weeks prior to the occupation, when the people of Limassol and Papho began to refuse it.

* This was the only branch exising under Turkish rule.

† According to the "Twenty-second Annual Report from the Deputy Master of the Mint," the total nominal value of the special bronze coinage struck for Cyprus, up to the end of 1891, has been 8,491 *l.*, of which 4,749 *l.* was in piastres, 2,901 *l.* in half-piastres, and 841 *l.* in quarter-piastres.

THE EAST.

CHAPTER XXXIV.

INDIA.*

THE history of the currency of India would require for its adequate treatment not a single chapter, but many volumes. The following pages do not purport to do more than to give a review of Indian currency history since the closing years of the last century, supplemented here and there by such historical and other notes as seem to be required in order to understand the currency of India at the present day.

The earliest monetary system† of India, as of China, appears to have consisted of *weights* of fine metal, silver, gold, or copper, with silver as the accepted standard. The unit of weight was the *rati* (1·75 grs. troy), which was the seed of the *Abrus precatorius*, or "wild liquorice." A hundred *ratis* (175 grs.) formed the familiar *sata-raktika*, a weight of fine metal which on the one hand can be traced back almost to the Vedic epoch, whilst in modern times it has developed into the rupee of the British Government. Though gold has played a considerable part in the currency of India, especially in the South, silver has formed the general standard and measure of value, and it is therefore with the silver rupee that an account of the currency of India naturally begins, gold (the mohur and pagoda) and paper being reserved for subsequent discussion.

(i.) The Rupee.

From the standard weight of 100 *ratis* originated in 1542 the *rūpyam* (or *silver* coin) of Sher Shah, weighing some 176 grs., soon to be followed by a multitude of local rupees, each with its own weight and fineness. The earliest English rupee‡ was the "Rupee of Bombaim" of 1677, weighing 167·8 grs. But it was not till the establishment of British rule in 1758 that British

* For much valuable information relating to the currency of India, more particularly in its modern aspects, I am indebted to Mr. Henry Waterfield, C.B., of the India Office.

† *See* E. Thomas, *Ancient Indian Weights* in "Numismata Orientalia" (London, Trübner and Co., 1874).

‡ Queen Elizabeth in 1600 had coined "portcullis pieces of eight," with her own effigy, for circulation in India. Ruding says hereon :—"Some coinage of this sort was necessary; for the Queen, when she first incorporated the East India Company, would not permit them to transport the King of Spain's silver coins to the East Indies, though she was frequently solicited by the merchants. The reason which they assigned to induce her to grant this permission determined her to strike coins for the particular purpose of circulation in Asia. They represented to Her Majesty that her silver coin and stamp were not known in the East Indies, which they supposed would induce her to grant them a license to send thither what silver they pleased. The Queen and her Privy Council replied that, for the very reason alleged, it was

rupees were largely coined. Prior to 1835 these rupees were of three main* types, the Sicca rupee in Bengal, the Surat rupee in Bombay, and the Arcot rupee in Madras.†

(a.) From 1773 onwards the *Sicca*‡ rupee of Bengal, to prevent discount by the money-changers, was stamped 19 *San Sikkah* (*i.e.* "struck in the 19th year" of Shah Alam, the last of the Moguls). This coin, weighing nearly 180 grs. and containing 176 grs. of fine silver, persisted, with trifling changes, until 1836, when, by Act XIII, 1836, its coinage was discontinued in view of the introduction of the Company's rupee, the Sicca rupee ceasing to be legal tender on 1st January 1838.

(b.) The *Old Bombay* rupee was slightly lighter than the Sicca rupee, but contained a fraction more fine silver. The (native) *Surat* rupee ought to have been of the same weight and fineness but being struck of less intrinsic value drove out the British coins, and so led at the close of last century to the cessation of the coinage of the latter for twenty years. In 1801 the new Bombay rupee was ordered to be struck, weighing 179 grs. gross and nearly 165 grs. fine, or almost the proportions of the rupee of to-day. In 1824 Bombay adopted the Madras standard.

(c.) Prior to 1818 the *Madras Arcot* rupee, of the Fort St. George Mint, as distinguished from other Arcot rupees of native coinage, contained 166·477 grains of fine silver. Owing to the over-valuation of gold, and also owing to the coinage of native Arcot rupees of low standard, the silver rupee in Madras was less important than either the gold pagoda (*see infra*) or the silver fanam.§ Government ordered the pagoda to pass for either 3½ Arcot rupees or 45 fanams. Since 45 fanams contained, according to the Court of Directors in 1806, 574·38 grs. fine, whilst 3½ Arcot rupees contained 582·669 grs., the rupee was undervalued 1·422 per cent. as against the nominally subordinate fanam. Under an earlier scheme, by which 42 fanams went

her fixed and unalterable resolution not to permit them to send the coin of the King of Spain, or any foreign prince, to India; and that no silver should be exported by her merchants, but only such as should be coined with her effigies and picture on the one side, and the portcullis on the other, of the just weight and fineness of the Spanish pieces of eight and pieces of four rials. Her prudent reason for this was, that her name and effigies might be hereafter respected by the Asiatics, and she be known as great a prince as the King of Spain." (*See* Sir George Birdwood's "Early Records of the India Office" for Charter provisions as to coining.)

* Section 14 of Bengal Regulation XXXV of 1793 specifies no less than 27 varieties of rupees as "current in the several districts," and rates them in terms of sicca rupees.

† Accounts were commonly kept in "Current rupees" (*chalāni*), taken as 2*s.* each in the Company's financial reports to Parliament; 116 Current rupees were equal to 100 Sicca rupees, or 106⅔ Company's rupees.

‡ From the Arabic *sikka*, a coining-die, whence also *Zecchino* or *Sequin*, and the old Anglo-Indian "*chick*" (4 rupees).

§ The word *fanam* is probably an Arabic version of the Tamil *panam* meaning "money." Originally it was a *gold* sixteenth of a pagoda.

Prior to 1818 the monetary scheme in Madras was 80 copper cash = 1 silver fanam; 12 fanams = 1 rupee; 42 fanams (or 3½ rupees) = 1 star pagoda; but the bazaar exchange fluctuated from 35 to 45 fanams. (*See* Thurston's "History of the Coinage of the E. I. Co." (Madras, 1890) and Zay, pp. 269–360).

to a star pagoda, the amount of fine silver in the latter number of fanams was only 536·88 grs., or nearly 8 per cent. worse than the fine content of 3½ Arcot rupees.

In 1806 directions were sent out from home that the standard coin of Madras should be a silver rupee weighing 180 grs. gross* and 165 grs. fine, the fineness being 11 12ths.† But it was not until 7th January 1818 that a proclamation was issued in Madras giving currency to the new standard coin, in lieu of the gold pagoda, at the rate of 350 rupees to 100 pagodas.

(d.) Though it was the intention as early as 1806 of the East India Company to put an end to the losses and inconvenience resulting from the "circulation of so many denominations of gold and silver coins of different values in different districts," by establishing "one general system for the formation of the coin for the currency of the whole of our possessions on the continent of Asia," yet it was not until a generation later that this intention was finally carried out. Convinced, as they expressly stated, by Lord Liverpool's "Letter" that a single standard was necessary, the Company decided in 1806 that in India "such coin must be of silver;" but it was not until 1835, that, by Act No. XVII. of that year, one uniform silver rupee was declared the standard coin of the whole of British India.

The type chosen for the new "**Company's rupee**" of 1835 was the Madras rupee of 1818, weighing 180 grs., 11-12ths fine, and therefore containing 165 grs. of fine silver. The weight and fineness of this standard coin have remained unaltered to the present day, though in 1862 (by Act No. XIII. of that year)‡ the Queen's effigy was introduced in lieu of the Company's arms, and the name of the coin was declared to be "**the Government rupee.**" The Act now in force is the consolidating and amending Indian Coinage Act of 1870 (No. XXIII).

Subordinate to the rupee are the following coins:—

(*a*) *Silver:*

1. Half rupee.
2. Quarter rupee, or 4-anna piece.
3. An eighth of a rupee, or 2-anna piece.

All these coins are of the same fineness as the standard rupee, and of proportionate weight.

The half-rupee, like the rupee itself, is legal tender to any amount; "the quarter rupee and eighth of a rupee shall be legal tender only for the fractions of a rupee."

No silver coins are legal tender if "clipped or filed, or defaced, or diminished, otherwise than by use"; and, further, the rupee

* This weight was chosen as being "the nearest to the sicca weight in whole numbers," the sicca weight of the Mogul mints being ascertained to be 179⅞ troy grains.

† The fineness was adopted from the Report of a Committee of Council of January 1803 on the London Mint. They approved the British gold standard of 11-12ths fine, and the Court thought that the standard "would be equally proper for silver coin."

‡ This Act also rescinded an inoperative clause in the Act of 1835, authorising a double rupee.

and half-rupee must not have "lost more than 2 per cent. in weight."

(*b*) *Copper:*

1. A double pice, or half-anna.
2. A pice, or quarter-anna.
3. A half-pice, or one-eighth of an anna.
4. A pie, being one-third of a pice, or 1-12th of an anna.

The weight of the double pice is 200 grs., that of the other copper coins being proportionate. Copper coins (like the silver quarter and eighth rupee) are a legal tender only for fractions of a rupee.

The Indian mints are open to the "free coinage"* of silver, in quantities of not less than 1,000 *tolas* (of 180 grs. each). The coinage charge is 2 per cent. (in addition to ·1 per cent. for melting charges) for silver of the Indian standard (91·6 per mille); a refining charge is also made if the silver be of worse standard or unfit for coinage. On delivery of silver at the mints for coinage, the owner receives "a receipt which shall entitle him to a certificate from the assay master for the net produce of such bullion or coin payable at the general Treasury."

In 1876 (by Act No. IX. of that year) the Government of India was empowered "to declare certain coins of Native States to be a legal tender in British India," provided that such coins (whether of gold, silver, or copper) (i) are identical in weight and fineness with coins of British India, and (ii) are coined at British mints, and provided further that for 30 years the Native State abstains from coinage on its own account. Power is also given to limit the coinage under the Act for each Native State. So far the only Native States which have availed themselves of the provisions of the Act of 1876 are Alwar, Dhar, and Dewas.

The coins of Portuguese India are coined by the Government of British India under Act XVII. of 1881, and are legal tender equally with the coins of British India.

According to official statistics† the nominal value of the total silver coinage (including re-coinages) in the mints of the three Presidency towns, from 1835-6 to 1890–91, inclusive, was 3,302,500,837 rupees, made up as follows:—

Whole rupees	Rs. 3,149,857,487
Half „	50,462,090
Quarter „	60,598,730
Eighth „	41,582,530
Total silver	Rs. 3,302,500,837
For the same period the copper coinage was	54,768,980
Total silver and copper	Rs. 3,357,269,817

* This provision of "free coinage" has been the chief point of attack by Indian currency reformers, other than "bimetallists." (*See, e.g.*, the Final Report of the Gold and Silver Commission, dated October 1888.)

† *Finance and Revenue Accounts and Miscellaneous Statistics relating to the Finances of British India*, 1891, Part III., page 206.

Taking the population of British India at 220,000,000, the above total gives an average of 15¼ rupees per head in respect of the silver and copper coinage since 1834-5.

In the *Economic Journal* for December 1891 and June 1892, Mr. F. C. Harrison* has arrived, by an elaborate system of practical investigation, at the conclusion that the circulation of the rupee itself may "be taken to be about 115 crores," of which "in ordinary years the coin held by Government and the banks would be about 20 crores." Mr. Harrison estimates 3½ crores more for copper ("agricultural India is still in the copper age, and this metal forms the currency of the poor to a greater extent than silver"), and adds "a crore for the circulation of other than Government coin, and seven crores for small silver." If these latter figures be added to the above estimate of 115 crores, the total amount of coin in general circulation and in the banks, &c., is Rs. 1,265,000,000, or Rs. 5¾ per head of the population. If the 20 crores in the banks, &c., be excluded, the "active" metallic circulation stands at Rs. 1,065,000,000, or Rs. 4·84 per head, *i.e.*, less than one-third of the total coinage since 1834-35.

(ii) Gold.

(*a.*) *The Mohur.*

Like the silver rupee, the gold mohur (Pers. *muhr* "a seal") represents the old Indian weight of 100 *ratis*, or 175 grains, of fine metal. In the 14th century (perhaps in order to adjust the ratio of gold to silver), the coined mohur was for a time raised to some 200 grains, but reverted to (approximately) the ancient weight of the *sataraktika*. After 1758 the East India Company endeavoured to make gold the standard of India. The history of the mohur is best known in Bengal, though in its present form the mohur (like the rupee) originated in Madras (in succession to the pagoda) in 1818.

In Bengal, in the language of Regulation XXXV. of 1793, "Under the Native administrations, and until the year 1766, the gold mohur was not considered a legal tender of payment in any public or private transaction, nor was the number of rupees for which it was to pass current ever fixed by the Government. It was struck for the convenience of individuals, and the value of it in the markets fluctuated like other commodities, *silver being the*

* At the moment of going to press, I find in the "Calcutta Review" for July 1892 an important article by the same writer, entitled "Early Annals of the Indian Mints," from which the following is a quotation:—"I am of opinion that about 38 crores of rupees were circulating in 1835, *viz.*, 7 crores in Lower Bengal, 6½ in Upper India, 5 in Madras, 2½ in Hyderabad, 2 in the Punjab, and 15 elsewhere. The difference of 37 crores between this amount and the net issues has either been melted, or hoarded, or exported. To the quantity so disappearing should be added 5 crores or so on account of issues prior to 1800. In other words, the yearly waste due to these causes averaged about 1½ crores." Mr. Harrison estimates the gross silver coinage from 1800 to 1835 at 110 crores of rupees. He is also "disposed to the opinion that the rupee commences to wear light at the rate of ·07 grains a year and that this rate shrinks to a little more than ·05 grains during its old age. In other words, a rupee wears light in less than 60 years." (*See* also Mr. Harrison's article in the *Economic Journal* for March 1893.)

metal which was the general measure of value throughout the country. In the year 1766 the value of the gold coin with respect to the silver was first fixed, and the former coin declared a legal tender of payment. A gold mohur was struck, and ordered to pass for 14 sicca rupees. But, as this coin (calculating according to the relative value of the two metals) was much below the worth of the silver in the number of rupees for which it was ordered to pass, it was found impossible to render it current; and it was accordingly called in, and a new gold mohur, being that now current, was issued in 1769, which was directed to pass as a legal tender of payment for 16 sicca rupees." Sir James Steuart's observation * is, "The Company was obliged to make a new regulation in 1769, little better than the former. At last this gold currency fell altogether to many per cent. below its intrinsic value, according to the saying,—

Dum vitant stulti vitia in contraria currunt."

In Bombay, according to Kelly's Cambist, "in 1774 the gold mohur was ordered to be made of the same weight as the silver rupee, and to be equal in fineness to a Venetian sequin; by this the proportion of gold to silver in the Bombay coins was nearly as 15 to 1. When the Surat rupees, however, were introduced into circulation, this proportion ceased; and gold, coined according to the 1774 Regulation was exchanged for only thirteen times its weight in silver. In order to remedy this, it was settled in 1800 that the mohur should be of the same weight and fineness as the silver rupee, and that it should pass for 15 such rupees." Apparently this Bombay mohur circulated only as bullion, and not as a coin of legal tender.

The Bengal Regulation XLV. of 1803 declared that "gold mohurs shall be permitted to be circulated in the Ceded Provinces as heretofore, according to the value which individuals receiving and paying the same shall determine; but gold mohurs shall not be considered to be a legal tender of payment in any public or private transaction, nor shall they bear any fixed rate of value compared with reference to the silver coin . . . established by this regulation." When the currency of India was under consideration in 1806 the Company laid down the following principles with regard to gold:—"Although we are fully satisfied of the propriety of the silver rupee being the principal measure of value and the money of account, yet we are by no means desirous of checking the circulation of gold, but of establishing a gold coin on a principle fitted for general use. This coin, in our opinion, should be called a *gold rupee*, and be made of the same standard as the silver rupee, viz. 180 troy grains gross weight, and 165 troy grains fine gold, also divided into halves and quarters, that the coins of both gold and silver should be of the same denomination, weight, and fineness." This was done in Madras in 1818, the "gold rupee" being paid and received by all public officers "*at such rate as may be determined* by the proclamation of Government. The present rate, until

* "*Principles of money applied to the present state of the coin of Bengal*" (1772).

altered by proclamation, will be that of 1 gold rupee for 15 silver rupees." In Bengal, in the same year, Regulation XIV. of 1818, which raised the ratio of gold to silver from 1:14·861 to 1:15 and reduced the fineness to 22 carats, expressly stated that "the gold mohur will still continue to pass current at the rate of 16 rupees." Subsequently, when the principles of 1806 were finally adopted for British India, Act XVII. of 1835 enacted that "*no gold coin shall henceforward be a legal tender of payment in any of the territories of the East India Company.*" *

(*b.*) *The Pagoda.* †

This gold coin of Southern India is the native *varāha* or *hūn*, the former word indicating the "Boar" avatār of Vishnu figured on Southern coins from the 5th or 6th century onwards under the Chalukya dynasty, whilst *hūn* (gold) is their later Mahommedan name. From the 16th century onwards, if not earlier, it was to this coin that the Portuguese gave the name *pardao de ouro*.‡

In Madras prior to 1818 the standard coin was the Government pagoda, bearing the eponymous device of a "star," and containing by law 42·048 grains of fine gold. This star pagoda (worth 7 *s.* 5¼ *d.*, but commonly valued at 8 *s.*) was reckoned to be of 10 per cent. less value than the earlier and finer coin with a crescent and three figures, one of which represented Swāmī (or Krishna) and hence gave the name "swamy-pagoda." Parallel coins were the Pondicherry § and Porto Novo pagodas, with regard to which Kelly states that the latter was about 20 per cent. worse than the star pagoda, whilst the Pondicherry pagoda (originally equal to the star pagoda) proved on assay to contain only 37·2 grains fine gold, and hence was worth only 6 *s.* 7 *d.* All these three varieties were familiar at the beginning of the present century throughout the India currency area, which then included not only Ceylon and Mauritius, but the Cape and St. Helena, then mere stepping-stones from Europe to the East. Even in New South Wales, in 1800, the pagoda was proclaimed a legal tender.

In 1806, when the Court of Directors of the East India Company reviewed the monetary system of British India, and

* This provision is retained as Section 12 of the India Coinage Act, 1870 "No gold coin shall be a legal tender in payment or on account."

† "They are Indian and Heathenish money with the picture of a Diuell upon them, and therefore are called Pagodas" (*Linschoten*, 1596). And Fra Paolino, in his *Viaggio* of 1796, says: "La Bhagavadi, moneta d'oro, che ha l'immagine della dea Bhagavadi, nome corrotto in Pagodi o Pagode dagli Europei."

The Sk. word *bhagavat* (= holy) is a frequent style of Hindu gods. But Ovington in 1689 derived the word from Persian words meaning "idol-temple," and Dr. Burnell held the same view.

‡ I venture to think that this Portuguese name "pardao" is not to be traced to the Sk. *prātāp* (majesty) through *pertab* (= a *half* varāha in 1544), Rather, it appears to be = Sk. *pādo* (or "quarter") which is known (from the Pali *Jātakas*, &c.) to have been the common name of an Indian coin. And, in support of this view, it will be observed that the fine content of the star pagoda approximates to a quarter of the old standard Indian weight of 100 *ratis*, or 175 grains. If this view be correct, the pagoda has the same origin ultimately as the rupee and the mohur.

§ Zay, p. 298 *et seq.*

decided to introduce the silver rupee of 165 grains fine as "the principal measure and the money of account" with a "gold rupee" coined of like fine weight and "left to find its own level according to the usefulness it may possess as a coin," it was felt that some modifications were necessary "in Madras, where gold coins are the principal currency, money of account, and the measure by which the pay of the troops is generally calculated. It is not by any means our wish to introduce a silver currency to the exclusion of the gold, where the latter is the general measure of value, any more than to force a gold coin where silver is the general measure of value; but, wherever the pagoda is the general curreney, to substitute in its place the quarter gold rupee, which we are of opinion should be paid and received on all occasions as the pagoda, both in regard to the calculation and receipt of revenue, as also in the issues of money for the purchase of investment. The quarter gold rupee would contain of fine gold 41¼ troy grains; the star pagoda contains of fine gold 42·048 troy grains; the difference between these coins is 1·897 per cent. less fine gold in the former than in the latter. This difference does not appear so material as to induce us to entertain any doubt of the quarter gold rupee answering every purpose of the star pagoda in respect to the revenues and investment; neither does it appear to us inapplicable to the pay of the Army."

The view held in 1806 was modified in 1810, owing mainly to the larger importations of silver than of gold, whereby the currency of Madras began to pass automatically to a silver standard. It was in this year that the Company, disapproving of the multiplicity of coins in the Presidency (viz., double and single pagodas in gold, and, in silver, half and quarter pagodas, double, single, half, quarter, and eighth rupees, together with coins of one, two, three, and five fanams), peremptorily stopped the coinage of double, half, and quarter pagodas, double rupees, and fanams. As regards the pagoda itself, its circulation was to be limited to "what may be rendered necessary by the payments of gold coin into your treasuries for revenue, &c., and what may be required to be coined by individuals." Finally, by Proclamation of 7th January 1818, at Madras, the coinage of the gold pagoda was discontinued altogether, in view of the establishment of the silver rupee as the standard coin of the Presidency.

(*c.*) *Gold in India since* 1835.

For the period from 1800 to 1835 Mr. Harrison ("Calcutta Review" for July 1892) estimates "the total mintage of gold in India at 3,845,700 ounces of fine gold."

It has been shown above that in 1835 silver monometallism was definitely established for the whole of British India. But subsequently to 1835 steps have been taken from time to time to introduce gold into circulation. The first step * was taken as early as 1841, when, by proclamation of 13th January, treasurers were "authorised freely to receive these gold coins (*i.e.*, those

* Apart from the reduction of the rate of seignorage from 2 to 1 per cent. in 1837 (*see* page 8 of Parliamentary Paper, No. 254 of 1860).

issued in accordance with the Act of 1835) at the rates, until further orders, respectively denoted by the denomination of the pieces,"* *i.e.*, a mohur was to be received as the equivalent of 15 silver rupees. At first no inconvenience resulted from this measure. So strong was the native preference for the purer mohur issued before 1835, that there was a cessation of gold coinage. It was in vain that the seignorage on gold was lowered; in 1847 gold formed "no part of the currency." With the gold discoveries of California and Australia, however, the position was speedily changed. Speculators hastened to pour gold into India at the ratio of 1 to 15 established by the Government proclamation of 1841, and by the end of 1852 some 50 lakhs had accumulated in the Government treasuries. Consequently, in self-defence, the Government of India issued the notification of 22nd December 1852, providing that after 1st January 1853 "no gold coin will be received on account of payments due, or in any way to be made, to the Government in any public treasury within the territories of the East India Company." Gold might still be brought to the mints for coinage; but the mint certificates for gold deposited were to be "discharged in gold only, and no such certificate will be accepted in any public treasury."

A few years later, when experience had shown that there was no startling fall in the silver-price of gold, proposals were again made for the introduction of gold coins into the currency of India; and amongst other schemes there was one for the circulation of the British sovereign as the equivalent of 10 rupees (*with a 20-rupee limit of tender*).† "The most striking feature of this movement," said Sir Charles Trevelyan in 1864,‡ "is its universality. There are differences of opinion as to the mode in which the object is to be attained, but all agree that there ought to be a gold currency." Eventually, on 23rd November 1864, the Government of India issued a notification directing that "sovereigns and half-sovereigns coined at any authorised Royal Mint in England or Australia, of current weight, shall, until further notice, be received in all the treasuries of British India and its dependencies in payment of sums due to the Government as the equivalent of 10 and 5 rupees respectively; and that such sovereigns and half-sovereigns shall, whenever available at any Government treasury, be paid at the same rates to any person willing to receive them in payment of claims against the Government." (Another Notice of the same date provided that the metallic reserve of the Government's currency notes (*see infra*) might consist of the same gold coins at the above rates, up to one-fourth of the total issue represented by coin or bullion.) After three months' experience of this plan, the Bank of Bengal communicated to the Government their opinion that "the time has come when sovereigns and half-sovereigns of full weight may, with safety and advantage, be declared *legal tender* at the respective rates of 10 and 5 rupees;" and that "the introduction of the

* House of Commons Paper, No. 152, of 1858.

† House of Commons Paper, No. 183, of 1860 (containing Mr. James Wilson's Minutes of 1859).

‡ House of Commons Paper, No. 79, of 1865.

sovereign into the currency of India will be generally welcomed as a great public boon."*

Though the plan of 1864 resulted in "the accumulation on the hands of the Government of a certain amount of gold coin for which there is no demand," the Calcutta Chamber of Commerce in 1866 recommended the adoption of a gold currency; and the Government appointed the Mansfield Commission to inquire into the monetary system of India.† On 4th October 1866 the Commission reported, urging the Government, in view of "the general wish of the country," to "persevere in the policy which was recommended for the approval of the Secretary of State two years ago, viz., to cause a legal tender of gold to be a part of the currency arrangements of India," subject to the adjustment of the rupee-price of the sovereign in the first instance. "The price of the gold mohur or Government piece of Rs. 15, as fixed by Act XVII. of 1835, is as nearly as possible the average market rate of the price of coined gold of the present day. That price . . . seems to be the legitimate basis on which to found a gold legal tender coinage for India, consisting of pieces of 10 and 5 rupees respectively, the 10-rupee piece having the weight of 120 grains, and the 5-rupee piece 60 grains troy."

In accordance with the recommendations of the Commission, and in expectation of the early introduction of gold as a legal tender in India, the Government, on 28th October 1868, issued a notification that British and Australian sovereigns and half-sovereigns would thenceforward be "received in all the treasuries of British India and its dependencies, in payment of sums due to the Government, as the equivalent of 10 rupees 4 annas, and 5 rupees 2 annas, respectively; and that such sovereigns shall, whenever available at any Government treasury, be paid at the same rates to any persons willing to receive them in payment of claims against the Government. The gold pieces stated in Section 7 of Act XVII. of 1835, will also henceforth be received as above according to the values stated in that Act," *i.e.*, the mohur as 15 rupees.

With the rise in the silver-price of gold from 1873 onwards, the question of a gold currency of India was abandoned for the time. On 15th July 1876, when a motion in favour of a gold standard was brought forward in the Bengal Chamber of Commerce, it "was temporarily withdrawn, in deference to the feeling apparent among members present." Subsequently, proposals have been brought before the Government, but not adopted, for establishing a gold standard, whilst retaining the present silver currency. The scheme would appear to have been either to raise the seignorage on, or to limit the coinage of, silver so as to raise artificially the exchange value of the coined rupee to 2 *s.*, and eventually to introduce the sterling system ‡. It only remains

* House of Commons Paper, No. 368, of 1865.

† House of Commons Paper, No. 148, of 1866.

‡ *See* an article (over the initials A. M. L.) in *The Banker's Magazine* for August 1892, entitled "Three Plans for establishing a Gold Standard in India;" Mr. Clarmont Daniell's *Industrial Competition of Asia*; and Mr. Leslie Probyn's paper read before the Institute of Bankers in December 1892.

to add that for the past decade the policy generally favoured by the Government of India has been to pass from silver monometallism to "bimetallism," provided a stable ratio could be secured by a general, or even a limited, international agreement.*

Deducting exports, the *net* imports of gold into India from 1835–36 to 1891–92 (inclusive) have amounted to Rx. 151,302,992 or Rx. 2,654,438 per annum; the total coinage of gold to 31st March 1891 amounting in all to only Rx. 2,420,644.

III.—PAPER CURRENCY.

Mr. James Wilson, the Financial Secretary to the Government of India, and previously Financial Secretary to Her Majesty's Treasury, may be styled the founder of the paper currency of India. His minute of 1859† laid down the principles, though he did not live to formulate all the details, of the Act No. XIX. of 1861, "to provide for a Government paper currency," a measure which was mainly based on the Imperial Bank Acts 1844-5, though adapted to the conditions of British India by making a Government Department the representative of the "Issue Department" of the Bank of England.

As from 1st March 1862 the Act permitted the right of note issue to the Government, establishing a "Department of Issue" (the representative of the Issue Department of the Bank of England) under a head commissioner at Calcutta, with commissioners in Madras and Bombay, each in charge of a district called a "Circle of Issue." Other "Circles of Issue" might be established, under the charge of deputy commissioners. At one place in each "Circle of Issue" currency notes of Rs. 10 and upwards were to be issued on demand in exchange for the amount thereof (*a*) in current silver coin of the Government of India, or (*b*) in silver bullion or foreign silver coin of the Indian standard computed at 1,000 tolas per Rs. 979,‡ or (*c*) notes of other denominations but of the same "Circle," or (*d*) gold coin or bullion, at rates to be from time to time fixed, provided that the issues against gold were limited to one-fourth of the total issues against coin and bullion.

Of the coin and bullion received in exchange for notes issued, the whole was to be retained as a metallic reserve, with the exception of "such an amount, not exceeding 4 crores of rupees, as the Governor-General in Council with the consent of the Secretary of State for India, shall from time to time fix," which amount was to be invested in "Government Securities." Thus, on the lines of the Bank of England issue, the currency notes of the Government of India were (*a*) to be fiduciary within the (anticipated) minimum circulation, but (*b*) to be fully secured by a metallic reserve beyond such minimum.

The notes were declared a legal tender within their own Circle

* *See* House of Commons Paper, 449 of 1881, and Parliamentary Papers 4797 of 1886, 5512 of 1888 (Gold and Silver Commission's Final Report).

† *See* House of Commons Paper, No. 183, of 1860.

‡ *i.e.* deducting the coining and melting charges of 2·1 per cent., see *supra*.

of Issue except by the Government of India at any office or at the Issue Department.

By Act XXIV of 1861, the Government of India provided for the employment of the Banks of Bengal, Madras, and Bombay, as agents for the note issue; but, owing to the Secretary of State's objection to the arrangement, the Act was not put into force, and it was repealed in 1871.

In order to avoid a run on the Mints for coin, it was provided by Act No. I. of 1866, that the issue of notes in exchange for bullion, or foreign coin, might be delayed until the bullion could be converted into coin. By Act No. XXX. of 1867, power was taken to transfer, for the purposes of the Paper Currency, any town from one Presidency to another; Act No. XV. of 1870 raised from four to six crores the fiduciary issue; and Act No. III. of 1871 consolidated the law on the subject, and at the same time reduced from Rs. 10 to Rs. 5 the minimum denomination of the notes.

The main Act in force at the present time is the Indian Paper Currency Act, 1882 (No. XX. of 1882), which extended the Paper Currency to British Burmah and established Agencies within Circles of Issue.

The denominations of Government Currency Notes are 5, 10, 20, 50, 100, 500, 1,000, and 10,000 rupees.

During 1862-3 and 1863-4, the only "Circles of Issue" were Calcutta, Madras, and Bombay. In 1864-5, other circles were established, viz., Allahabad, Lahore, Calicut, Trichinopoly, Vizagapatam (afterwards termed Cocanada), and Nagpore. Kurrachee was added in 1865-6, Akolah in 1868-9, and Rangoon in 1883-4. The Trichinopoly Circle was merged in Madras in 1873-4, and Cocanada in 1882-3; and the Nagpore and Akolah Circles were amalgamated with Bombay in 1882-3. The average circulation, which was Rs. 41,000,000 in 1862, had more than doubled itself by 1866-7, and was quadrupled in 1888-9, when it stood at Rs. 164,316,290. At the close of 1890-1 the average circulation amounted to Rs. 256,904,490, namely:—

Bengal - - - -	Rs. 118,019,160
Bombay - - - -	94,530,510
Madras - - - -	39,057,390
Rangoon - - - -	5,297,430
	Rs. 256,904,490

For 1890-91 the reserve held against the Note Issue was as follows:—

Silver coin - - -	Rs. 179,020,800
,, bullion - - -	7,883,730
Securities - - -	69,999,960
	Rs. 256,904,490

By Act No. XV. of 1890, the maximum fiduciary issue was increased from 60 to 80 millions of rupees, the minimum circulation having increased more than 50 per cent. since 1870. At the close of 1891 the amount of securities held was raised to this maximum.

Taking the total population at 220,000,000 this total is equivalent to an average per head of Rs. $1\frac{1}{8}$, of which about one rupee is in general circulation. This would make, with the "active" circulation of Rs. 4·84 in coin (as shown above) a total active currency of slightly under Rs. 6 per head of the population.

Up to 31st March 1890, the Government of India had received a net profit of Rs. 45,371,440 from the Paper Currency Department.

CHAPTER XXXV.

Ceylon. *

(1795.)

It is outside the scope of this work to discuss the ancient currency of Ceylon prior to its occupation by Europeans; information on this interesting but complicated subject, will be found in the monograph by Professor Rhys Davids in "Numismata Orientalia" (London, 1877). But it is essential to note that, as might naturally be expected from the Island's history and geographical position, the early monetary system of Ceylon was that of Southern India. The standard coin of Southern India was the gold pagoda (*see* page 342); but the standard denomination was the fanam. The gold pagoda was finally supplanted by the silver Madras rupee in 1818, and in 1835 Madras was merged in the larger currency area of British India, with the natural result that Ceylon also was drawn into the new consolidated area. With the exception of the eleven years between 1825 and 1836 (during which artificial conditions prevailed in the Island), the currency of Ceylon has been dominated by that of South India, alike before and during European rule.

(i.) Portuguese Period.

As regards the currency of Ceylon under the Portuguese, who were dominant in the Island for a century and a half prior to 1658, Professor Rhys Davids is of opinion that "no coins are known to have been struck by the Portuguese in or for Ceylon." This statement does not imply that Portuguese coins were not current in the Island; for Captain Robert Knox † expressly states that, besides *larins*‡ and *pounams* (fanams), there were in circulation during his twenty years' captivity in the Island other pieces of silver money "coined by the Portugals; the king's arms on one side, and the image of a friar on the other, and by the Chingulays called *tangom massa*. The value of one is ninepence English; *poddi tangom*, or the small tangom, is half as much." There does not, however, appear to be distinct evidence

* For valuable information in connection with the currency of Ceylon, I am indebted to the scholarship and official knowledge of Mr. J. A. Swettenham, C.M.G., Auditor-General of the Island.

† "Historical Relation of the Island of Ceylon in the East Indies" (London, 1681).

‡ For information concerning this "Hook money" from Lar, *see* Rhys Davids (*op. cit.*, *pp.* 34-5). *See* also Sir Walter Elliot's "Coins of Southern India" (London, 1886).

that these Portuguese coins were coined expressly for Ceylon, as distinguished from Goa. The coins current in the Island at the earlier date of 1554 are stated in the "Subsidios para a historia da India Portugueza" (Lisbon, 1868) to have been—

1. "Fanão (ouro muito baixo," *i.e.*, very base gold).
2. "Portuguez de ouro corria por 15 Xerafins."

It is also stated that the Xerafin (equal to "pardao de tangas") was worth "30 fanães da terra," the latter words indicating that the gold fanam was (i) the popular unit and (ii) of non-Portuguese coinage.

(ii.) **Dutch Regime** (1658-1796.)

One of the earliest acts of the Dutch administration w[illegible]t an interdict (1660) on the currency of Portuguese coin[illegible] to introduce here, as elsewhere throughout their possessions, (i) Dutch denominations of money and (ii)—in part—Dutch coins. The accounts of the Dutch Government in Ceylon were uniformly kept in *gulden* (florins) and *stuivers*, but private accounts were generally kept in *ryksdaalders*, equivalent to 3 gulden each. The value of the copper stuivers was regulated from time to time by the Dutch Government, and these coins by progressive over-valuation constituted the ordinary medium of internal circulation, readily exchangeable at the Dutch Treasury for bills on Holland. In spite, however, of the introduction of Dutch denominations of money and the Dutch stuiver, the local system of currency was carefully adjusted to correspond with that of the mainland, so that Ceylon under Dutch rule practically formed part of the continental currency area. This result was achieved by the simple device of adopting the fanam as a quarter-gulden, or one-twelfth of the original metallic rix-dollar; the number of stuivers which were declared equivalent to a fanam being adjusted in accordance with the stages of debasement through which the coined fanam passed in South India. Consequently, the central point in Ceylon currency under the Dutch was the fanam representing on the one hand a fixed fraction of the gulden and of the rix-dollar, and on the other hand a varying multiple of the coined stuiver.

With reference to (circa) 1725, Valentyn in his work on the East Indies gives the following as the *coins* then in circulation in Ceylon:—

Ryksdaalder - -	equals	60 Stuivers.				
Moorish Ducat -	„	2⅛ Rds.				
Provincial Dollar* -	„	1 1/10 Rds.				
Rupees - - -	„	24 to 30 Stuivers.				
Pagodas - -	„	6 Gulden or 120 Stuivers.				
Fanam - - -	„	¼	„	„	5	„
Xerafyn - -	„	1	„	„	20	„
Ducats - - -	„	6	„	and	12	„

Valentyn also states that the pagoda and the (small) fanam were of the above values on the Coromandel Coast, showing that

*The Ducatoon.

the Ceylon currency of the day was identical in essentials with that of the mainland. Half a century later the following was the Trincomalee Cashier's Return of 11 August 1777 :

"In Larger Safe :		Florins.
1,300 Gold Pagodas	worth	6,565
1,005 Silver Rupees	„	1,507.10
1,150 „ Ducatoons	„	4,600
2,496,868 Copper Duijten	„	31,210.17
In Smaller Safe :		
Copper Duijten (11,580 Rds.)	„	27,792."

From this Return it will be seen that about 80 per cent. of the balance was in copper, in the form of doits (= quarter-stuivers) : that the rix-dollar had sunk to be a mere denomination, representing 48, instead of 60, stuivers—*i.e.*, $2\frac{2}{3}$, instead of 3, florins or guldens of account.

"In 1785," according to Bertolacci's *View of Ceylon* (London, 1817), "the financial difficulties of the Island induced Governor Vandergraaf to issue Treasury notes, called credit brieven, payable on presentation in Ceylon copper coin at the rate of 48 stivers for each rix-dollar. There was no particular coin for the rix-dollar; it was merely an ideal one, divided into 12 fanams, and each fanam into 4 stivers." Bertolacci is in error in stating that these *Krediet brieven* were convertible on demand into coin; they were only ultimately to be redeemed. His words apply strictly only to the cash notes (of from 1 to 10 Ryksdaalders) which were subsequently issued under the decree of December 1795. The results of these paper issues is best described in the words of Governor North in 1799, "for the ten years before our Conquest (*i.e.*, 1795) *there was no specie in the country.*"

(iii.) **British Rule.**

(*a*) From 1795 to 1825.

The currency of Ceylon in 1795, when the East India Company entered into possession, consisted of copper and paper. The East India Company took no steps towards redeeming the paper.† "The circulation," wrote Governor North in 1799, "is carried on in copper, of which too great a quantity has been thrown into the country, which quantity will go on increasing and can never diminish, as it is not in currency on the Coast. The Dutch stuiver‡ is of the same value as our pice, I believe of the same real value; though the Dutch pretend that the copper of it is not so good; but to judge of that, the two coins must be assayed. Four of these stuivers make a fanam, so the

* At the surrender of Colombo the British officers guaranteed 3 per cent. on the nominal value of the *Krediet Brieven*, and since then the Government has purchased most of them at 60 per cent. discount. Very few now remain outstanding. Precisely the same treatment was extended to the cash notes of 1795.

† Thirty-six stuivers were cut from a Dutch pound in the closing years of Dutch rule—*i.e.*, 33 stuivers weighed 1 lb. avoirdupois.

Arcot rupee, which is twelve fanams, is counted as the rix-dollar, which is an imaginary coin, merely used for keeping accounts, and at all times (*sic*) consisting of eight and forty stuivers." Governor North also states that "before our occupation of the Island the nominal value of the rupee was 30 stuivers, though its real value was nearly that at which we have since fixed it, that is, at 48 stuivers, or even higher." And, incidentally, after stating that "it was one of my principal objects to diminish the circulation and raise the value of the copper currency," he mentions that he has "agreed to receive the value of 30,000 pagodas in copper, which the Governor General in Council has offered to send me from Madras."

On 18 February 1801 Governor North wrote:—"The great inconvenience of circulating copper money (which is the established currency of these Settlements) induced me in the month of March last to issue promissory notes on the Public Treasury to the amount of 30,000 rix-dollars. The convenience and utility of these notes were soon perceived, not only by the Europeans, but the native inhabitants of the Colony, which induced me to make a further issue to the extent of 45,000 rix-dollars, making in all R.D.75,000. These notes are generally 25, 50, & 100 rix-dollars each, bear no interest, but are merely considered as the substitute of so much copper money, and made exchangeable at the Treasury for their amount on demand. 45 fanams or $3\frac{3}{4}$ rix-dollars make one star pagoda,* and consequently the total amount of paper currency issued is star pagodas 20,000. . . . The terms on which copper money is paid into the Treasury for Bills on Bengal has never been under par, that is $3\frac{3}{4}$ R.D. per pagoda; but it sometimes can now be procured at the rate of 4 rix-dollars, or 48 fanams, per pagoda, and being issued at 45 fanams in the public disbursements leaves a gain of 3 fanams on each pagoda to Government. . . . The exchange on Bengal has for some time past been 360 Arcot rupees per 100 star pagodas, and the drafts payable at 30 days' sight."

The first coinage under the Company's rule was of stuivers, struck partly in the Island and partly in England. "The copper bars," wrote the Governor in December 1801, "which had been lying undisposed of in the Company's godowns for four years to the amount of 62,000 lbs. worth about 9,600 star pagodas, was, as I wrote to the Court of Directors, given over at the end of April last to an individual to be coined into stuivers, 48 of which make one rix-dollar. Some old cannon has also been broken up for the same purpose at Trincomalee."

"Directions," continued the Governor, "have been given to the Agent of the Colony in London to procure 100,000 pounds

* Seeing that in Madras the fanam was current at the rate of 45 to a star pagoda, the East India Company fixed the exchange for the distinct fanam of Ceylon at the same rate, so that 180 stuivers or $3\frac{3}{4}$ rix-dollars were regarded as equivalent to the star pagoda. And as "in the years 1801, 2, and 3 the Exchange at Madras remained fixed at $2\frac{1}{2}$ star pagodas—or $112\frac{1}{2}$ fanams—for 1 *l.* sterling," and as "$112\frac{1}{2}$ fanams make rix-dollars $9\frac{3}{8}$, that standard was taken as the rate of exchange between England and Ceylon."

weight of copper in similar coins in England, and to send them out to Ceylon as soon as an opportunity can be found. Fifteen of the coins being equal at the established exchange to 8 *d.* sterling, the sum total will leave a profit of about 10 per cent. to Government." With reference to this coinage Bertolacci observed in a memorandum of 1813 that "some of the copper coin sent out from England in 1802 weighed at the rate of 46 or 47 for 1 lb. English."

Also in 1801, Governor North wrote that "the want of some circulating medium less cumbersome than copper has induced me also to direct the agent to procure a quantity of silver not exceeding 8,333 *l.* 6 *s.* 8 *d.* in value, to be coined into rix-dollars, having each the intrinsic value of 20*d.* sterling, and intended to be circulated at the rate of somewhat more than 25½ *d.*, fifteen rix-dollars being equal to 32 *s.*" Apparently, this was the silver which was coined in the Island in 1803 by Adrian Pietre Blume, under contracts dated 4th February and 8th June of that year. "Very few rix-dollars," says a memorandum by Bertolacci of 1813, "were coined according to the weight" prescribed by the earlier contract, which was 50 rix-dollars to the *Dutch* pound, the fineness being described as "the standard of 10" (*i.e.*, dwts. fine per oz.), or 833⅓ per mille. The bulk of the coinage may therefore be assumed to have been struck under the provisions of the second contract, which provided that Spanish dollars to be supplied by the Government were to be coined (without alteration of standard) into whole and half rix-dollars,—"one English pound of silver (or 17 Spanish dollars) to produce 50 rix-dollars, or 100 half rix-dollars." Thus the new silver coins were 2 per cent. better than one-third of a Spanish dollar. Taking the sterling value of the Spanish dollar at 4 *s.* 2*d.*, the sterling equivalent of the new rix-dollar was only 1 *s.* 4⅔ *d.*, *i.e.*, 14·4 rix-dollars were intrinsically equivalent to 1 *l.* sterling. But, nevertheless, up till 1805, the fixed exchange at which the Colonial Government sold their bills (3¾ rix-dollars to the star pagoda and 9⅜ rix-dollars to the pound sterling) maintained at "par" (*a*) their silver and copper tokens, and (*b*) their paper issues. When, however, at the end of 1805 the Colonial Government, suddenly altering their policy with regard to the sale of their bills, invited public tenders at competition rates, the currency of the Island, deprived of its artificial safeguards, was speedily stripped of all coins other than its own tokens (now become standard coins), and apprehension was felt that even the silver rix-dollar might be exported. Accordingly, a remedy was sought by lowering the standard of this latter coin. The contract of the Government with Blume, dated 17th February 1808, provides that "one English pound of pure silver, and one-fifth of alloy of Japan copper added thereto shall produce to Government sixty rix-dollars;"* *i.e.*, the weight of June 1803 was retained, but the millesimal fineness was reduced to 833⅓, as in February of the latter year. The depreciation at once drove out the old rix-dollars, which were intrinsically more valuable, and even the oldest and heaviest of the copper coins.

* Apparently 692,159 rix-dollars in all were struck.

In this connection, it is to be observed that in 1803 the Colonial Government had coined stivers (or pice, as they were now commonly called) at the rate of 50 to 1 lb. English, instead of 36 of them making 1 lb. *Dutch*" (*i.e.*, 33 stivers per lb. av.). Thus the bimetallic currency of Ceylon was depreciated in respect both of its silver and of its copper coins; and the Government paper, being redeemable in current coin, necessarily suffered the same depreciation as the metallic money of the Island.

On 14th November 1812, a further coinage of rix-dollars, was ordered to be struck in the Island at a Mint established and conducted by Mr. Bertolacci, where copper coins would also appear to have been struck. By Proclamation of 10th March 1812, the sterling rate of issue of the rix-dollar was fixed at 1 *s.* 9 *d.*,* but by the end of 1813 the exchange had fallen to 1 *s.* 1½ *d.* Practically, by this time, all the silver and the heaviest of the copper coins had been exported. The Governor's Minute of 16th July 1814, after speaking of the inconvenience resulting "from the diminished quantity of silver and copper in circulation," states that "no better expedient has presented itself than that of following the measure lately adopted in the Mother Country of issuing tokens." Consequently, silver "fanam tokens" were issued to pass current at 12 to the rix-dollar, though intrinsically the latter coin was worth 16 of the new tokens. "The issue will be but limited (not exceeding 110,000 rix-dollars in the whole), and the tokens will always be receivable at the General Treasury and Cutcheries of the Island at their full nominal value." It was anticipated that this measure, whilst shielding the tokens from "being carried off the Island or melted," would "not have the effect of lowering the present value of our currency." A Government advertisement of 16 July 1814 gave currency to the tokens accordingly.

Inconvertible paper, with subsidiary coins, now formed the local standard of value. Nor was the currency permanently changed by the Treasury order to the Royal Mint (1st December 1814) to coin 100,000 silver rix-dollars and 200,000 rix-dollars in copper coins; for only the *copper* coins were issued in 1815.† The amount of paper currency in 1820 was nearly 2½ millions of rix-dollars. On 9th October 1821 the dearth of metallic money led the Treasury, on behalf of the Commissariat, to order from

* The copper was coined at the old rate of 50 stivers to the pound of copper, out of the demonetised Tower half-pence. The details of the coinage were as follows:—

	Rix Dollars.
Pieces of two stivers or half-fanams	80,000
Stivers	60,000
Half-stivers	25,000
Quarter-stivers	25,000
One-eighth stivers	10,000
Total value	Rds. 200,000

† As regards the silver, the Home Government did "not think it would be expedient to sanction the same." The matter was to be considered "whenever the state of the bullion market shall render such coinage expedient."

the London Mint a further supply of 400,000 silver rix-dollars, each weighing 138⅔ grains (*i.e.*, one-third of the accepted weight of the Spanish dollars from which they were struck); and the fineness being that of the dollar, then regarded as 891⅔ per mille by the Mint. Consequently, as the Spanish dollar was worth about 50 *d.*, each rix-dollar was intrinsically worth under 1 *s.* 5 *d.*, though ordered to pass current as the equivalent of 1 *s.* 9 *d.* sterling. In 1820 and 1822 "Anchor money" (*see* page 21), was coined in England for use of the colonies generally, and a consignment was made to Ceylon of these silver fractions of a Spanish dollar.

On 22 March and 31 December 1823, the new Madras rupee and quarter rupee (marked in Ceylon with a crown) were declared current by local proclamation at 1⅓ rix dollars for the rupee, and 4 Ceylon fanams for the smaller coin.

(*b.*) From 1825 to 1836.

The state of the currency in 1825 is discussed at considerable length in the Treasury Minute of 11th February 1825 (*see* page 422). In that year the paper currency, which had been shrinking since 1820, stood at 1,561,669 rix-dollars; and, as a result of this and other circumstances, the price realised on the sale of Treasury Bills on London was about 15 rix-dollars per £., or 1 *s.* 4 *d.* per rix-dollar at this time.

In accordance with the Order in Council of 23rd March 1825 (page 23), and under Regulation No. 8 of 1825, sterling denominations of money were introduced; the old paper money was to be called in; and the value of the silver and paper rix-dollar was fixed at 1 *s.* 6 *d.* At the same time, pending the arrival of the British subsidary coins, which it was the policy of 1825 to introduce into the British colonies generally, the Governor on 4th July 1825 ordered by Proclamation that the Spanish dollar should pass for 4 *s.* 4 *d.*, the sicca rupee for 2 *s.* 1 *d.*, and the rupees of Bombay and Madras at 1 *s.* 11 *d.*, the sicca rupee being on 14th December 1833 reduced to 2 *s.*, the Bombay or Madras rupee to 1 *s.* 10 *d.*, and the Spanish dollar to 4 *s.* 2 *d.* Between 1825 and 1833 (both inclusive) 111,895 *l.* was imported in British silver; over a million and a-half sterling in bills on London being sold in the same period at the regulation rates laid down by the Treasury in 1825 and 1827.* Also, by Regulation 8 of 1827, the old paper rix-dollars were cancelled, and convertible Treasury notes (now liquidated) were issued to the amount of 90,000 *l.* (=1,200,000 rix-dollars at 1 *s.* 6 *d.* each). This paper currency, which stood at 110,858 *l.* on 11th April 1830, was reduced to 87,427 *l.* on 20th August 1832. The currency of the Island now consisted mainly of British silver, with paper rix-dollars also freely convertible into Bills on the Treasury in London. In copper, pence, half-pence, and farthings were in circulation, with ½ and ¼ farthings imported

* Experience having taught the Imperial Government that 3 per cent. was an excessive premium to exact on the scale of their Sterling Bills, the official rate was reduced in 1827 to 101 *l.* 10 *s.* per 100 *l.* Bill (*see* p. 26).

in 1839-40 to the value of 2,000 *l.*, and "the Dutch challies taken as prize in Kandy."

(*c.*) From 1836 onwards.

A fundamental change now ensued. The exchange in Calcutta on London being depressed in 1836 to 1*s.* 11*d.* per sicca rupee (for six months' bills), sicca rupees were imported wholesale into Ceylon, and exchanged at 2 *s.* each for local currency, wherewith bills on London were purchased at 30 *s.* premium per 100 *l.* bill. British silver was thus driven from circulation. Later, when the Calcutta exchanges became favourable, the imported rupees were exported and the Colony was left without metallic money. In vain did the Colonial Government import rupees. As these coins were imported, not in the legitimate current of trade settlements, but merely to defray the expenditure of the Colonial Government (which regularly outstripped the local revenue),* the balance of trade compelled their exportation, and the Colony continued to suffer from the inconvenience of insufficient metallic money. It was under these circumstances that the Governor issued the important Minute of 26th September 1836, rating the new "Company's rupee" at 2 *s.*, like the old sicca rupee. The result was that, dating from 1836, the Island practically adopted the Company's rupee as its standard coin, and so reverted to the Indian currency area to which it naturally belongs. The (convertible) Government paper and some British copper coins still continued, however, to circulate with the rupee, as did a few silver rix-dollars rated at 1 *s.* 6 *d.* By the Order in Council and Proclamation of 16th October 1852, British gold coins were made a legal tender in the Island, and Australian gold coins admitted by the Order in Council and Proclamation of 22nd October 1856. But these enactments were ineffectual; the Indian rupee remained the local standard of value, though its legality rested solely on the Governor's Minute of 26th September 1836.

Mainly at the instance of Governor Sir Hercules Robinson, the local currency was regularised by the Order in Council and Proclamation of 18th June 1869. This measure revoked in Ceylon the Order in Council of 1825, and the Regulations of the Island Government, No. 8 of 1825, and No. 8 of 1827, and formally established the Company's rupee of India, with its silver sub-divisions ($\frac{1}{2}$, $\frac{1}{4}$, $\frac{1}{8}$), as the sole legal unlimited tender. As a temporary measure, pending the introduction of decimal tokens, the following copper coins were admitted to tender up to half a rupee, viz.:—

The penny	at the rate of	$\frac{2}{3}$	anna, or 8	pie.
„ halfpenny	„	$\frac{1}{3}$	„ 4	„
„ farthing	„	$\frac{1}{6}$	„ 2	„
„ Ceylon fanam	„	1	„	
„ „ stiver or pice	„	$\frac{1}{4}$	„ 3	„
„ „ challie	„	$\frac{1}{12}$	„ 1	„

But, by the Governor's Proclamation of 23rd August 1871

* Nearly a million sterling was received from England to supplement Colonial Revenues between 1810 and 1824.

(under the Order in Council and Proclamation of 1869) the above copper coins were rated as the $\frac{1}{24}$, $\frac{1}{48}$, $\frac{1}{96}$, $\frac{1}{160}$, $\frac{1}{64}$, and $\frac{1}{192}$ parts of a rupee, new copper tokens being authorised in the denomination of cents (5-cent, 1-cent, and $\frac{1}{2}$-cent pieces).* The new tokens were authorised as from 1st January 1872. A $\frac{1}{4}$-cent was authorised by the Governor on 14th September 1872. Finally, by the Governor's Proclamation of 17th March 1874, the old Ceylon fanam, stiver, and pice were demonetised as from 17th September of the same year; and thus the last link was broken which connected the modern with the old currency.

The currency system of Ceylon from 1872 to 1891 was analogous to that of the United States in combining a binary with a decimal system for coins subordinate to the standard. In 1891 the Indian silver coins of two annas were abandoned, and the decimal system was introduced (practically) in its entirety† under the Order in Council of 1892. Under this consolidating and amending Order (i.) the rupee of Portuguese India was admitted to unlimited legal tender equally with the rupee of British India, and (ii.) decimal silver tokens of 10, 25, and 50 cents (of 800 millesimal fineness) were authorised to be struck, and to be legal tender up to five rupees, the limit for copper coins remaining one-half of a rupee. Power was also taken to coin other tokens, if required subsequently; and it may be anticipated that under this provision bronze coins may be hereafter issued in lieu of (*e.g.*) the expensive and unwieldy 5-cent piece now current. The Indian $\frac{1}{2}$ rupee and $\frac{1}{4}$ rupee are retained as a legal tender, but only as subsidiary coins with a five-rupee limit.

The metallic currency of Ceylon thus consists of Indian and Portuguese silver with a subsidiary coinage proper to the Island, as is also partly the case with Mauritius. The amount of coin in the island on 31st December 1891 is estimated to have been as follows:—

	Rs.	Rs.
(i.) Silver:		
(*a.*) In hands of Government against Currency Notes, and as Kutchery balances - -	4,500,000	
(*b.*) In banks at Colombo - -	3,000,000	
(*c.*) In country banks and private hands - - - -	4,000,000	
		11,500,000
(ii.) Copper - - - - - - -		948,966
Total (say) - - -		Rs. 12,500,000

As the total population of Ceylon in 1891 was 3,000,000 (in

* The weights of these coins (which are of pure copper) were taken (approximately) from the old British copper penny, farthing, and half-farthing. Hence, intrinsically, the cent is the quarter, not the fifth, of the 5-cent pieces.

† Strictly speaking, a 20-cent piece should have taken the place of the representative of the Indian $\frac{1}{4}$ rupee (four annas), as in Mauritius. Compare also the 20-cent pieces of the Straits, Hong Kong, and Newfoundland. Canada, following the United States, now affords a parallel to the 25-cent piece of Ceylon.

round figures), this total would give Rs. 4⅛ in coin per head. Without the Government holding (which is practically all ear-marked against the note issue), the metallic circulation of the Island stands at Rs. 2⅝ per head. And if, further, the banks' reserves be struck out, and the coin in private hands be taken at Rs. 3,500,000 in silver, and Rs. 1,000,000 in copper, the "active" metallic circulation of Ceylon works out at Rs. 1¼ per head of the total population.

Notes.

There remains the important question of notes in circulation. The failure of the Oriental Bank in 1884 had led to the guarantee by the Governor of the bank's notes then in circulation; and this step occasioned the establishment of a Government note issue in Ceylon on the model of that already existing in Mauritius. By Ordinance No. 32 of 1884 it was provided that "currency notes," of the denomination of 5, 10, 50, 100, 500, and 1,000 rupees, should be issued as from 1st January 1885 by a Board of (three) Commissioners of Currency. These notes, which are legal tender, and payable on demand in "silver rupees of India.* . . . . but no other coin," are issuable on demand "in exchange for the amount thereof in silver rupees of India." The Commissioners are to hold a "reserve in silver coin of one-half, at the least, of the amount of currency notes in circulation;" and a sum not exceeding one-half of the circulation may be "invested in Indian Government securities, and such securities of the Government of the United Kingdom, or of the Government of any British Colony other than Ceylon, as may from time to time be approved by the Secretary of State for the Colonies; provided that not more than one-half of such sum shall be invested in Indian Government securities, except by the express sanction of the Secretary of State;" but if, by shrinkage of the circulation, the specie reserve should fall below the standard of one-half of the notes in circulation, it is not incumbent on the Commissioners of Currency to realise their securities until the specie falls to one-third of the notes in circulation; but no new investments must be made until the specie exceeds one-half of the circulation. One per cent. of the dividends is set aside to form a "depreciation fund," which, however, may at any time be discontinued with the approval of the Secretary of State.

Ceylon Government currency notes were brought into circulation on 1st January 1885. The following figures give the total issue on 31st December of each subsequent year up to the present time:—

	Rupees.
1885	4,192,165
1886	5,012,165
1887	5,171,705
1888	5,529,705
1889	6,444,375
1890	6,294,375
1891	7,537,375

* Hence, apparently, the *Portuguese* rupee, which was made legally current in 1892, is not a legal tender in payment of currency notes.

The note circulation of Ceylon is, therefore, equivalent to Rs. 2½ per head of the total population. The "active" metallic circulation being Rs. 1½ per head, the total metallic and paper currency of the Island amounts to Rs. 4 per head, which is almost the estimated total of the coin in the Island, apart from notes.

The abstract account published by the Currency Commissioners for the month ending 31st December 1891, showed that the "reserve" (*i.e.*, the assets) of the note issue was as follows:—

			Rs.	c.
(i.) "Silver in the vault"			4,478,581	80
(ii.) Sums invested:	Rs.	c.		
(*a.*) In Indian 4 per cent. paper	1,778,807	70		
(*b.*) In sterling debentures, &c., of Australia, Canada, and the Cape	1,279,985	50		
			3,058,793	20
Total			Rs. 7,537,375	00

Calculated at the latest market rates, the rupee-value of the above investments was as follows:—

			Rs.	c.
(*a.*) Indian 4 per cent. paper			1,933,152	87
(*b.*) Sterling securities			1,379,465	51
Total			Rs. 3,312,618	38

Thus the original investments had improved by Rs. 253,825. 18c., or about 8 per cent. in value. The "Depreciation Fund" at the same date stood at (in round figures) Rs. 200,000, of which, roughly, one-half was in Indian securities, one-quarter in sterling Colonial Stocks, whilst the balance was uninvested.

The *net* profits amounted, for 1891, to Rs. 121,759. 9c., of which Rs. 25,073. 12c. was placed to the credit of the Depreciation Fund, whilst Rs. 86,685. 97c. went to swell the Colonial revenue. In the seven years ending 31st December 1891, the Colonial revenue had received a net profit of Rs. 467,878, or Rs. 66,839 per annum on an average, in respect of the Government Issue.

CHAPTER XXXVI.

MAURITIUS.

(1810.)

"MAURITIUS," in the words of Mr. Lucas,* "is an instance of a country in which geography and history have, to a certain extent, run counter to each other. Geographically it belongs to Africa, but the course of its history . . . has closely connected it with Asia." Lying on the highway round the Cape to India, and ruled successively by the two European powers who have built up an Indian Empire, Mauritius necessarily formed its chief trading relations with India. With the opening up of Australia, Mauritius grew to be a great entrepôt for the East and the rising Australian Colonies, and for a time the gold discoveries in Australia threatened to make gold permanently the standard in Mauritius, but the opening of the Suez Canal in 1869, whilst dealing a heavy blow at the commerce of the Colony, swept the Island back into the Indian "currency area;" and so, in spite of Imperial efforts to introduce sterling into circulation, this African island is dominated to-day, as it was dominated at the beginning of the century, by the currency system of India. The history of currency in Mauritius furnishes an instructive lesson in the futility of arbitrary, if well-meant, endeavours to substitute an alien scheme of currency for that prescribed by trade relations.

Before passing to the detailed history of the island's currency, it may be well to point out that the key to the study is the "current or colonial dollar." Identical, at the close of the 18th century, with the universal Spanish dollar of 370·9 grains fine, the 'dollar' (of 10 colonial livres) became mere money of account about 1810, sinking to the level of two sicca rupees, containing 352 grains fine. Though legally declared in 1826 to be equivalent to 4 *s.* in sterling coins, this "colonial dollar" continued to be valued popularly at two rupees; but, as the sicca rupee of 176 grains fine had disappeared in 1833 to make room for the Company or Government rupee of 165 grains fine, this popular rating of the "colonial dollar" involved a further shrinkage of over 6 per cent. in its intrinsic value. Finally, in 1876, after half-a-century's futile endeavours to introduce sterling as the local currency, the rupee was established by law as the island standard of value, and the "colonial dollar" was dispensed with as a needless complication.

The history of currency in Mauritius may thus be conveniently divided into four periods: (i.) prior to 1810; (ii.) from

* "Historical Geography of the British Colonies," Vol. 1, p. 167.

1810 to 1825; (iii.) from 1826 to 1876; and (iv.) from 1876 onwards.

(i.) Prior to 1810.

With regard to the currency of the island under French rule* it will be sufficient to state that the real metallic standard of the 18th century was the Spanish dollar; that the old paper issues were withdrawn in 1786-90; † that the subsequent Revolutionary paper was "retiré en entier sur le pied de 2,000 francs (*i.e.*, livres coloniales) pour une piastre en 1803, époque de l'arrivée du General de Caen;" and that this officer in 1810 attempted to reduce the "dollar" to the level of a five-franc piece by coining the island dollar which bears his name. ‡

It is important also to bear in mind that in this French Colony accounts and calculations were invariably expressed in "livres coloniales," reckoned 10 to the dollar, and therefore equivalent to the familiar Spanish real, or to half the French livre. A decimal system was, therefore, in existence before British occupation; but the "colonial dollar" was worth somewhat less than the Spanish dollar. On the other hand, there was a dearth of coin, resulting in part from war and the Revolution, which militated against exact ratings.

(ii.) 1810—1825.

Soon after the capture of the island the Governor issued the Notice of 6th December 1810, declaring the Spanish dollar equal to 2 sicca, or 2⅛ Arcot, rupees, the gold mohurs of Bombay and Bengal being rated at 7⅛ and 9 "do." respectively. ‖ For some two or three years this tariff, which undervalued the Spanish dollar some 6 per cent., appears to have worked well, so long as few sicca rupees were in circulation. But by 1813 the Indian coins had become so abundant that the Spanish dollar bore a premium of 3 to 4 per cent. "C'est à cette époque qu'il faut reporter la différence qui a commencé à s'établir entre la piastre courante ou coloniale de dix livres et la piastre effective d'Espagne." ¶ The

* A series of articles by M. Roussellet in *Le Mouvement à l'Ile Maurice* from 5th February to 9th April 1892, deal with the old currency of the island in interesting detail.

† See *le Réglement sur le papier* of 28th July 1790.

It was the paper money which depreciated the local livre of account. At the beginning of 1777 the Spanish dollar was rated at 7½ livres. In the course of the next seven years the quotation rose to 10 livres, and sometimes as high as 12. Before 1810 all rupees alike are stated to have passed as four livres coloniales, or two-fifths of a Spanish dollar, a rating which undervalued even the Arcot rupee about 11 per cent., and, consequently, rendered impossible the concurrent circulation of the dollar and rupee. And the dearth of coin in circulation is recorded by de Caen (Zay, p. 263).

‡ Gross weight 413·164 grains, fineness ten-twelfths, fine content 344·3 grains, or a slight fraction under the fine content of the five-franc piece. This coin had been made legal tender by General de Caen's Arrêté of 8th March 1810. The silver for the coinage came from the booty of the "Oviédor," captured in this year. (*See* Zay, pages 261-5).

‖ The issue of interest-bearing Treasury Bills on 19th April 1811 is not important from a currency point of view.

¶ Letter of 21st August 1824, from the Bank at Port Louis to the Colonial Government.

practical standard of value was now the sicca rupee, which readily conformed to the decimal system in vogue, as the equivalent of five livres coloniales. The island currency was placed on a basis which met with the general approval of the inhabitants.

The chief deficiency in the circulatory medium was in coins subordinate to the sicca rupee, and larger than the copper sol marqué (see *infra*). To meet this want, the Colonial Government applied to England in 1817 for a supply of small silver coin for the island, and issued temporarily small Treasury notes of the denominations of a half and a quarter dollar, and a further issue was made in these and in much higher denominations (up to $ 500) in 1818. As no coins came from England, the Colony in 1818 imported 1,600,000 pices from India at 64 to the sicca rupee; and, to prevent their exportation from the island, each pice was ordered to pass as a cent (*i.e.*, at the rate of 100 to the colonial dollar of two sicca rupees), or at a premium of some 28 per cent. But, as excessive issues of paper resulted in an agio of over 28 per cent. on specie about 1820, these overrated coins did not escape export to Bourbon and elsewhere. The renewed inconvenience of having no small change was met in a novel fashion. Special "tokens" in base silver were struck for the island at the Calcutta Mint of the denominations of 50 and 25 sous, *i.e.*, 25 and 12½ cents of a colonial dollar, respectively, and were issued under the Notice of 19th March 1822. Their intrinsic value being under 6½ *d.* and 3¼ *d.* each, the overrating was nearly 90 per cent.; and naturally, therefore, these insular coins (of which 286,251 of the larger size, and 311,498 of the smaller, were struck) remained in circulation in Mauritius. Meantime, the Home Government in 1820 had directed 50,000 Spanish dollars to be bought and coined into quarters, eighths, and sixteenths of dollars for the service of the island. These fractions, which were unsuitable because they were not decimal parts of the dollar, were "struck with the device (of the anchor) adopted for the coin of the British Colonies," and were of dollar fineness and proportionate weight.* They are the earliest "anchor money" (*see* page 21). Pence and halfpence were also requested, but their coinage was not executed.†

In 1821, 20,000 *l.* worth of silver was purchased by the Commissariat to be coined "into halves, quarters, eighths, and sixteenths, for the service at the Mauritius." These coins were struck in 1822 on the former plan, 10,000 *l.* in half-dollars, 4,000 *l.* in quarters, 4,000 *l.* in eighths, and 2,000 *l.* in sixteenths. On 24th September 1822, the Commissariat officer wrote that "the colonial paper money in exchange for the metallic currency bears a discount of 29 per cent., and for Spanish dollars 33 per cent." And on the same date, under Treasury directions, the general officer commanding rated the coins in circulation, for

* Of the quarters, weighing 104 grains, 99,792 were struck.
" eighths " 52 " 119,696 "
" sixteenths " 26 " 161,536 "

† Copper fractions of the dollar were actually struck a year or two later for Mauritius, the West Indies, Sierra Leone, &c.; but the coinage was melted down, before issue, at the end of 1825.

issue to the troops, on the basis of a 4 *s.* 8 *d.* rate of issue for the familiar Spanish dollar. The chief feature of his silver ratings was the reduction of the sicca rupee from 2 *s.* 4 *d.* to 2 *s.* 2½ *d.*, making therefore the "colonial dollar" worth 4 *s.* 5 *d.* for issue to the troops. In 1821 a serious effort was made to purge the currency of paper, and by Proclamation of 25th June in that year, the existing issues were called in, and demonetised as from 24th December 1824. In view of the "approaching return to a metallic currency," the Governor on 10th December 1824, issued a notice rating in cents of a "current dollar of the value of two sicca rupees," the undermentioned coins in common circulation for the purposes of receipt and issue by the Colonial Government:—

SILVER.		GOLD.	
Sicca rupee	50 cents.	Bengal mohur	8 current dollars.
Madras „	47 „	Madras „	7 „
Bombay „	47 „	Bombay „	7 „
Spanish dollar	103 „	Sovereign	5 „
English colonial dollar	106 „	Twenty-franc piece	4 „
Decaen dollar	96 „	Doubloon	17 „
Five-franc piece	99 „		
Austrian dollar	98 „		

This regulation, though not destined to be long in force, was important for its rating of the sovereign as five colonial dollars, on the erroneous basis of the Mint price of 5 *s.* 2 *d.* per oz. of standard silver. The starting point for these (round) figures was the sicca rupee; the gold ratings were subsequently deduced from their home equivalence to the silver coins of their own currency systems. The Spanish dollar was designedly overrated about 2 per cent., in order to retard its exportation to Bourbon, where it passed for 11 colonial livres or 110 cents.

(iii.) 1826–1843.

Throughout this period the "Colonial dollar" continued to be regarded as equal to 2 sicca rupees; but this, as will be seen, was conventional only. In 1825 (*see* page 23), the British Government formulated, and proceeded to carry out, its scheme for making British silver and bronze tokens the circulating medium of British colonies. On receipt of the Treasury circular letter of 12th February of this year, the Governor issued on 22nd September a notice (on the lines of the 1824 rating of the sovereign as five colonial dollars), whereby the shilling was rated for Army and other Government purposes at 25 cents, the penny at 2 cents, and other British tokens proportionately. And, after the receipt of the Order in Council of 23rd March

1825 (*see* page 417), the important Ordinance No. 3 was passed by the Governor in Council on 25th November 1825, introducing sterling as the denomination for public accounts, as from 1st January 1826, and declaring that "a tender and payment of four shillings British silver money or British silver and copper money shall in this colony and its dependencies be considered equivalent to and a legal tender and payment of one current dollar of the colonial money of account of Mauritius." No other coins were actually made legal tender; but the public offices were directed, until further notice, to pay and receive foreign coins at the following rates, derived partly from the Treasury Circular, and partly from the Government notice of 1824:—

GOLD.	£.	s.	d.
Sovereign	1	–	–
20-franc piece	–	16	–
Doubloon	3	9	4
Bengal Mohur	1	13	4
Madras	1	8	9
Bombay	1	8	9

COPPER.			
Sol Marqué †	–	–	$\frac{1}{4}$
Cashe or pice	–	–	$\frac{1}{8}$

SILVER.	£.	s.	d.
5-franc piece	–	4	–
2 „ „	–	1	8
1 „ „	–	–	10
Spanish and U. S. dollar	–	4	4
Sicilian dollar	–	4	1
Austrian „	–	4	–
Decaen „	–	4	–
Sicca rupee	–	2	1
Madras, Bombay, or Surat rupee	–	1	11
Colonial half-dollar, &c.	–	2	2

The most important features of the above ratings of foreign coins for concurrent circulation with sterling were (1) the under-valuation of sterling relatively to other coins; (2) the over-rating of the doubloon, worth only 64 *s.* sterling; (3) the over-rating of the single and double francs relatively both to sterling and to the 5-franc piece; and (4) the over-valuation of the sicca rupee.

In 1826, 1827, and 1828, a total sum of 60,200 *l.* in British silver, and of 1,000 *l.* in copper coins, was poured into Mauritius by the Imperial Government. And it is stated that, about 1830, dollars and rupees were imported into the island from New South Wales as a result of the prohibitive rating popularly established in that Colony in 1829–30. Consequently, in 1828, the question of the over-rated "tokens" of 1822, and copper coins (pices and marqués), claimed the consideration of the Colonial Government. (i) The pices were collected and remitted to India to the number of 1,393,515. (ii) The "tokens" in the

* It is curious that the Pagoda is never mentioned in these tables. That it circulated, is shown by the inventory referred to on the next page, from which it appears that, in 1839, the Pagoda "à l'abeille," was rated at 4 dollars, the Star Pagoda at 1·65 dollars, and the Porto Novo Pagoda at 1·35 dollars.

† This coin was sent out from France under the Royal Edict of October 1738, and was issued for 2 sous. To restrain exportation, the *Avis du Roi* of December 1771 raised its currency value to 3 sous. Thus from 1771 they passed at 66⅔ to the dollar. By the Ordinance of 1825, 64 went to the Colonial dollar, or 4 *s.* sterling. (*See* Zay, pp. 77-9).

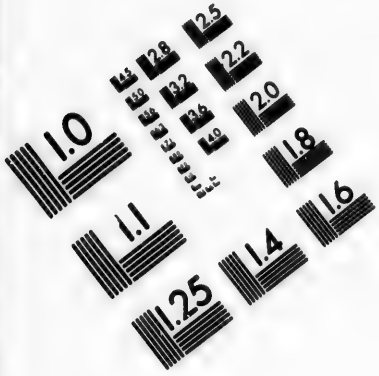
first place were called in by the Governor's Proclamation of 11th May 1831 to be "exchanged for other money according to the value at which it was formerly issued." Of these coins, the equivalent of 414,616 "shilling" tokens was received, or only 27,384 less than the whole issue. And by Proclamation of 4th of August 1831 they were re-issued at 8 *d.* and 4 *d.* respectively; this figure representing their intrinsic value *plus* original expenses of mintage, freight, &c. Thus the whole token was reduced, at the expense of the Colonial Government, from the quarter to the sixth of a current dollar, and the half token in proportion. (iii) On legal grounds, the question of the marqués was left over for the time.

The flooding of the island with British silver, and the unrestrained issue of Bills on London by the Commissariat for such coins (*see* page 25), had diverted official, if not private, attention from the premium placed in 1825 upon the doubloon and the smaller silver coins of France. Very large importations of doubloons* having been made, and the Treasury having on the 19th June 1835 reduced the Army rate of issue for the doubloon to 66 *s.*, the Colonial Government passed a corresponding Ordinance on 14th January 1836, substituting a rating of 66 *s.* for the 1825 rating of 69 *s.* 4 *d.* Private remonstrances were powerless to procure the disallowance of the local Ordinance, which, strictly speaking, repealed not a law, but a mere office regulation. Speculation was now diverted to French silver coins. By the end of 1837, as the result of large and profitable importations, francs and two-franc pieces formed about two-thirds of the coin in circulation in Mauritius; and this led to a general refusal to accept these coins in payment at the excessive rates laid down in 1825 for their receipt and issue in the Government offices. Accordingly, the Ordinance of 14th March 1838, provided that these coins "shall be received and paid at the public offices at the rate of five one franc pieces for 4 *s.*, and of five two-franc pieces for 8 *s.*; nevertheless, the said pieces cannot be received in sums of less than 4 *s.*"

After the legislation of 1836 and 1838, and after the abolition in India of the Sicca rupee in 1836, the cheapest tender of payment was in Spanish dollars and Company rupees, correctly rated (with reference to each other) at 4 *s.* 4 *d.* and 1 *s.* 11 *d.* respectively. British silver and gold, being undervalued relatively both to these coins and to the doubloon, had no general circulation, being either returned, as soon as it was issued, to the Commissariat for the purchase of Bills on London, or shipped wholesale to the Cape.

This unsatisfactory position of the sole coins that were strictly legal tender in Mauritius led the colony in 1839 to ask for 20,000 *l.* in shillings and sixpences to be stamped "Mauritius,"

* M. Roussellet quotes in *Le Mouvement à l'Ile Maurice* of 6th February 1892, an interesting inventory, dated 27 July 1839, of the contents of a strong box, showing a total of 11,956 dollars *all in gold*. Of this 2,375 dollars was in bullion at 20 dollars the ounce, and of the remainder over 80 per cent. was in doubloons, some 9 per cent. being in Portuguese Johannes, and the rest principally in French gold and Pagodas.



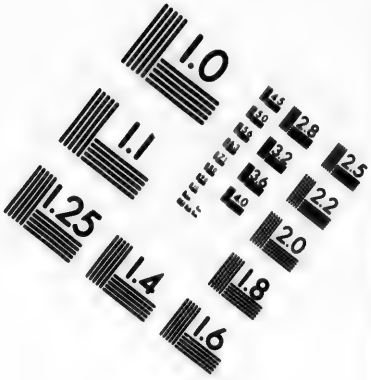
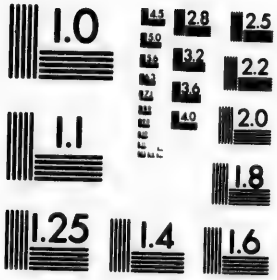


IMAGE EVALUATION
TEST TARGET (MT-3)



and to circulate exclusively in the island; but the Treasury refused to sanction a local coinage. The dearth of small change due to the withdrawal of the marqués in 1837-38 had been obviated by the importation of 9,000 *l.* in small British silver coins (6 *d.*, 3 *d.*, 1½ *d.*) and of 1,000 *l.* in pence, halfpence, and farthings. In 1840–41, in connection with the slave indemnity, about 150,000 *l.* in British silver was received in the island. But even this large importation was ineffectual to detach Mauritius from the Indian currency area of which it still formed a part. Like previous consignments, the coins introduced in 1840–41 either flowed out of the island to England and the Cape, or were retained as counters for the specific purpose of buying Treasury Bills on London.

(iv.) 1843-1876.

The remedial legislation of 1838 for the West Indies (*see* p. 27) was extended to Mauritius in 1843. The provisions of the Order in Council and Proclamation of 1st February of that year were embodied in the Local Ordinance No. 9 of 1843, which provided that no foreign or Indian coins would be received at the public offices or considered as a legal tender except the following, at the undermentioned rates for concurrent circulation with sterling :—

Gold.

	s.	*d.*
Doubloon of Spain, Mexico, or the States of South America	64	–
Mohur	29	2
20-franc piece	15	10

Silver.

Dollar of Spain, Mexico, and South America	4	2
Company's rupee	1	10
5-franc piece, or pieces of 1 and 2 francs to the same amount, viz., 5 francs	3	10½

But, notwithstanding the above Imperial and Colonial enactments, the Colonial dollar of account was still regarded as consisting of two rupees, and was, therefore, worth about 3 *s.* 8 *d.* sterling for the greater part of this period. Thus the rupee held the field till about 1850 against sterling and other coins even at the popular over-valuation of 2 *s.* British coins, bearing a premium on 4 *s.* of from 4 to 6 per cent. as against two rupees, were used only for the purpose of paying Colonial dues and buying Treasury Bills. By popular custom the franc was rated at 10 *d.*, the 2-franc piece at 1 *s.* 7½ *d.*, and the 5-franc piece at 4 *s.*, or 1 "dollar" of two rupees.

On 17th October 1850, an important Government Committee in Mauritius recommended the rating of the rupee by law at 2 *s.*; but, before action was taken, the great gold discoveries of

the middle of this century revolutionised for a time the monetary conditions of the island. Gold began to flow in from Australia; and the rising price of sugar brought gold and silver coins from England. In 1852 (*see* page 367) an Order in Council was passed placing a 40 *s.* limit in Mauritius and certain colonies on the legal tender of British silver. With abundance of sterling coins, the rupee was driven from the island, the almost exclusive medium of trade, other than the local notes, consisting of British and Australian coins.* Soon after 1860 the current of gold set outwards from the island again. By 1866 gold bore a premium of 4 to 5 per cent., and once again rupees flowed in, passing, as before, as the equivalent of a florin. The currency of Mauritius was now in the unsound condition (1) of having two ratings for the dominant rupee (viz., 1 *s.* 10 *d.* legally, and 2 *s.* by popular agreement), and (2) of violating the law by giving in practice unlimited tender to British silver.

The position became more and more strained, when soon after 1870 the gold price of silver began to fall. And now the gold liability of the Colonial Government, with regard to their notes, became so grave that a remedy was imperatively demanded. It will be necessary at this point to revert to the history of the paper money.

From 1825 until the crisis of 1847 the issue of notes was in the hands of the Mauritius and Commercial Banks. In 1847 the Mauritius Bank failed, and the Commercial Bank's paper sank into discredit. It was accordingly decided to place the issue of paper currency in the hands of the Local Government. In 1849, under Ordinance No. 9 of that year, a Government Currency Board was established, and notes for 10 and 5 rupees were issued, and made a legal tender. The sterling ratings of the rupee at 1 *s.* 10 *d.* (as in India at the same date), as opposed to the conventional rating of 2 *s.*, was immaterial while rupees circulated to the exclusion of British silver; but when, in 1850, the rupee began to be driven out by the shilling, inconvenience arose from the conflict between the legal and conventional ratings of the rupee notes. It was not until 1861,† however, that, under Ordinance No. 7 of that year, these notes began to be withdrawn in favour of (unsecured) sterling notes, of such denominations and in such amounts as the Governor might decide. After much correspondence, Ordinance No. 10, of 1864, was passed, providing that the Currency Commissioners might invest any sum in excess of half the amount of notes in circulation, either wholly in Imperial securities, or, to a maximum of one half of the investment, in Mauritius 6 per cent. debentures. The Commissioners were to realise when the amount of specie in their

* 5-franc pieces served solely for the Madagascar trade; and the Mexican dollars, which were previously employed for this purpose, were shipped at once to the East. It may be added that by Order in Council of 16th July, 1870, the new francs and 2-franc pieces were confined to a 40 *s.* limit of tender.

† In 1857 an Order in Council was passed authorising the issue of notes by private banks; but it was never promulgated, and the Colonial Government continued to monopolise the issue.

hands fell to below one-third of the circulation. The legal question as to paying the notes in gold involved in 1865-9 much difficulty, as in 1867 gold was demanded for export to India at a profit of 5 to 6 per cent. But by an ingenious arrangement on the part of the Colonial Government, the bulk of the circulation was confined to 1 *l.* and 10 *s.* notes, and thus it was strictly legal to cash them exclusively in silver. The 5 *l.* notes payable in gold were held by the Banks, and fear of forcing on a financial crisis made them keep these notes out of circulation as an ultimate reserve. Out of this difficulty first arose the distinct demand on the part of the Colonial Government for the demonetisation of sterling and the establishment of a rupee standard, a demand which was accentuated by the opening of the Suez Canal in 1869, and the consequent supersession of Mauritius as an entrepôt for the Cape and Australasia.

(v.) 1876 onwards.

Passing over a local Ordinance of 1875 (No. 30), which proposed to legalise the Indian Government rupee at 2 *s.*, but was disallowed by the Imperial Government, the stage is reached at which the currency system of Mauritius was finally placed on a sound basis. The inconvenience of a sterling currency in the Mauritius began to be acutely felt now that the rupee had left the island, and that gold ceased to flow in. And popular inconvenience had its counterpart in the alarm of the Colonial Government at the prospect of having to pay their notes in gold according to law, and to forgo the profit on their issue. By Order in Council and Proclamation* of 12th August 1876, all previous Orders in Council and Proclamations were revoked, and the Indian rupee (with its silver subdivisions of proportionate intrinsic value, consisting of the $\frac{1}{2}$, $\frac{1}{4}$ and $\frac{1}{8}$th) was established as the only legal tender of payment in Mauritius and its Dependencies. Provisionally, however, British bronze coins were made legal tender up to half a rupee at the rate of 4 cents (of a rupee) to a penny; and power was given to coin subsidiary tokens in silver or bronze to be legal tender up to five rupees.

It will be observed that the convenient decimal system of Mauritius was an inheritance from the days of French rule, the cent being the lineal descendant of the sou of account. The change of form in 1876 was to substitute the single rupee for the colonial dollar of (conventionally) two rupees,† and consequently to make the new cent half the value of the old. The local subsidiary coins expressed in these denominations are (1) the silver pieces of 20 and 10 cents, and (2) the bronze pieces of 1, 2, and 5 cents. Of these coins, which were first struck in 1877, the

* This was brought into operation in the island (as from 1st January 1877) by the Governor's Proclamation of 25th November 1876.

† The old habit of treating the rupee as 2 *s.* sterling survives in the local method of quoting the exchanges on London on the basis of a nominal par of 100 rupees = 10 *l.*, and adding the requisite number of rupees "per cent. premium."

following have been coined at the Royal Mint, and the Mint, Birmingham, up to 31st December 1891 :—

			Rs.
Silver - - - -	20	cents.	118,000
„ - - - -	10	„	143,000
Bronze - - -	5	„	32,500
„ - - - -	2	„	32,500
„ - - - -	Cents.		32,500
		Rs.	358,500

Thus there is a subsidiary circulation of almost exactly a rupee per head of the population. It has not been found possible to ascertain the amount of coin in general circulation. The specie reserve held by the Government against the note-issue amounted to 1½ millions of rupees, or over Rs. 3 per head, irrespective of the banks and the "active" circulation.

Notes.

With the change of the metallic standard from the sovereign to the rupee, a corresponding change was made in the law regulating the local paper currency. Ordinance No. 28 of 1876 (1) authorised the issue by the Currency Commissioners of demand notes of 5, 10 and 50 rupees in exchange for silver rupees of India, and (2) directed that the old sterling or "dollar" notes should cease to be a legal tender. "But any person holding any such notes shall have right to demand and receive payment of the lawful value thereof from the Commissioners of Currency until the 31st December 1877." (3) The old provisions as to investment were re-enacted in these words :—

"A sum not exceeding one-half of the amount of notes in circulation at any time may be invested in securities of the Imperial Government, provided that any fraction of such sum not exceeding one-fourth part of the notes in circulation as aforesaid, may likewise be invested in debentures of the Mauritius Government or in Mauritius Registered Stock." (4) The Commissioners are not bound to realise their securities (except by the special directions of the Governor) until the specie in their hands has fallen below one-third of the circulation at the time. (5) The profits of the issue go to swell colonial revenue; but, (6) subject to the decision from time to time of the Governor, 1 per cent. "on the interest yielded by the investments," goes to a special "Depreciation Fund,"* to be payable to the Currency Commissioners, and to be invested by them against shrinkage of the capital value of the investments. (7) The Commissioners are bound to publish a statement every month showing (a.) the amount of notes in circulation on the last day of the preceding month, and (b.) the amount of securities and specie in their hands at the time being. For a number of years the average circulation has been about 3 millions of rupees, or roughly about

* This provision originated in Article 5 of Ordinance No. 19 of 1865, which was subsequently repealed by Ordinance No. 20 of 1874.

8 rupees per head of the population. On 31 December 1891 the issue stood at Rs. 2,668,250, or about Rs. 7¼ per head.

At the end of 1891 the assets of the note issue were stated as follows:—

	Rs.
"1. Specie in hands of Commissioners" -	1,124,000
"2. Amount disbursed for remittances up to 31st December 1891 - - -	1,544,250
TOTAL - - -	Rs. 2,668,250

In conclusion, it may be stated that in 1886, when the gold-price of silver was low, and when there was a partial demand in Mauritius for a gold standard, a colonial committee was appointed to report on the monetary system of Mauritius. The valuable report of the committee, which is dated 14th September 1888, (i.) traced the evils complained of to the price of sugar, and (ii.) arrived at the sound conclusion that it was to the interest of the colony to maintain the existing system, "aussi longtemps du moins que ce système sera celui de l'Inde, qui est le pays auquel notre situation géographique, nos besoins, et la nature de nos relations commerciales, rattachent plus intimement Maurice."*

* It has been urged that the arguments which apply to Mauritius do not apply to one of its Dependencies, the Seychelles, the trade of those islands being mainly with gold-using countries.

CHAPTER XXXVII.

Hong Kong.

(1841.)

In 1841 the island of Hong Kong, then described as a mere barren rock sparsely inhabited by fishermen, was ceded by China to Great Britain; by 1888 the total imports and exports exceeded 40 millions sterling. The history of the currency of this important colony is thus comprised within the past half-century. But, though Hong Kong is thus one of the youngest of British Colonies, its existing currency recalls the earliest phase of currency in the 17th century "Plantations in America." For, just as the old silver "Piece of Eight" was the dominant coin nearly three centuries ago in the ancient West Indian Colonies, so the Mexican dollar (the lineal descendant and modern representative of the Piece of Eight) dominates the currency of Hong Kong at the present day. This result, which the Imperial Government sought in vain to prevent, is due to the silver tradition so long held and so rigidly maintained by the Chinese; Hong Kong, as being the chief commercial entrepôt for the foreign trade of China, has naturally and necessarily been drawn into the Chinese "currency area."

The silver dollar, in its earliest Spanish form, had been familiar at such Chinese ports as Canton, Ningpo, and Amoy, since 1571, in connection with Spanish commerce from the Philippines. And in 1596 Linschoten, in his *Intinerarie Voyage*, stated that at Goa "there are likewise Rialles of eight (*i.e.*, dollars) which are brought from Portingall, and are 'Pardawes de Reales' worth at their first coming out 436 Reyes of Portingall; and after are raised by exchange, *as they are sought for when men travell for China.*" Consequently, both the Spaniards at Manila and the Portuguese at Goa (and Malacca, *see* under Straits Settlements) familiarised the Chinese with the dollar more than three centuries ago.

At the date of cession of Hong Kong, the Chinese, who are characteristically fastidious in the choice of coins according to device, had come to accept the Spanish dollars of Ferdinand VII. as the standard silver coin, but still preferred the "Carolus Dollar," struck by Charles IV. (*i.e.*, prior to 1808). Taking the Ferdinand Dollar as "par," the dollars of Mexico and South America (dating from about 1820) were regarded with suspicion

as innovations, and passed at a discount of from 3 to 7 per cent.; whilst the superior antiquity* of the dollar of Charles IV. commanded a premium ranging from 4 to as much as 15 per cent. All these dollars, however, were intrinsically of equal weight and fineness. A like preference for the Carolus Dollar existed till recent years in Shanghai, and exists to-day in the Malay Peninsula (*see* page .) where the Mexican dollar is still unknown, and the "Pillar" dollar holds the field.

On 29th March 1842, Sir Henry Pottinger, Plenipotentiary and Chief Superintendent of the trade of British subjects in China, issued a Proclamation prescribing that for bazaar purchases, &c., but not for mercantile transactions, the following coins were to be deemed legal tender, viz.: Spanish, Mexican, and other dollars, and their component parts, the East India Company's rupees and their component parts, and "Cash,"† or the copper coins current in China.

1 dollar = 2¼ rupees. ‡

1 dollar = 1,200 cash.

1 rupee = 533 cash.

Two months later, on the 27th April 1842, Sir Henry Pottinger issued a further Proclamation making "Mexican and other Republican dollars" the standard in all government and mercantile transactions at Hong Kong, &c.

The policy adopted in these two Proclamations was sound, in so far as it established the Mexican dollar as the standard, and disregarded sterling; though the wording was loose in not defining the dollar, in view of the varying weights, *e.g.*, of the Mexican and United States dollars.

The authorities at home, who since 1825 had striven to introduce British silver coins into circulation in the Colonies, viewed the action taken in 1842 with disfavour, and insisted on applying their uniform panacea. Accordingly by Royal Proclamation, under Order in Council of 28th November 1844, Sir Henry Pottinger's Proclamations were revoked, and token British silver

* When in 1871 the device of the Mexican dollar was altered from the Cap to the "Scale," commerce with the Chinese was dislocated by the refusal of the latter to recognise the upstart coin. So likewise with the "Maximilian" coinage.

† This word is derived, through the Portuguese form *caixa*, from the Sk. *kársha* (an Indian weight of 80 *ratis*, or 140 grains, according to Thomas, *Ancient Indian Weights*, in Num. Or., London, 1874). Linschoten, in 1596, says that "in Sunda (or Java) there is also no other kind of money than certain copper mynt called caixa, of the bigness of a Hollädes doite, but not half so thicke, in the middle whereof is a hole to hang it on a string, for that commonlie they put two hundreth or a thousand upon one string." Houtman, in 1609, says, Chinese "monnoye est appellée cas." It is suggested by Yule and Burnell ("Glossary of Anglo-Indian Words") that the distinct English word *cash* (=caisse or strong-box) may have affected the above corruption.

‡ On the basis of fine content (according to Mint standards) the rupee contains 165 grains, and the Mexican dollar 377·13 grains. Hence, by law, $1 = Rs. 2·2856. But, in India, the coined rupee is 2·1 per cent. more valuable than its own silver content by reason of the Mint charge.

established as the nominal standard, with the following coins rated for concurrent circulation, viz.:

	£.	s.	d.
East India Company's gold Mohur (coined since 1st September 1835)	1	9	2
Rupee	1	10	
Dollar of Spain „ Mexico „ South America	4	2	
288 "Cash"	1		

The limit of legal tender was fixed, (i.) at 20 *s.* for British silver coins of lower denomination than the shilling, and for Indian silver coins lower than the rupee; and (ii.) at 1 *s.* for British copper coins and Chinese "Cash."

It was anticipated in 1844 that agreements at Hong Kong to pay dollars would be discharged by the payment of shillings at the rate of 24 cents, and that the coins and money denominations of the mother country would be established in the new settlement without disturbing existing contracts, and with as little interference as possible with the prejudices and habits of the people.

The Home Government herein reckoned without the Chinese. In China fine, or Hai-Kwan, Sycee, silver had always been reckoned not by tale but by *weight*, the standard measure being the "Tael" weighing some 580 grains, subdivided decimally into 10 mace* or 100 candareens. Of the only Chinese *coins* (copper "Cash"), one thousand (each weighing one mace) were originally equivalent to one tael of fine or Sycee silver. But owing to adulteration (with sand, &c.), and to illicit coinage, as many as 1,400 cash sometimes passed for a tael.

Now, as for all but petty transactions the Chinese used silver and measured that silver by its fine weight and not by tale,† the introduction of *token* British silver coins which represent fractions of a gold sovereign, proceeded on a fundamental misconception; and the Royal Proclamation of 1844 remained a dead letter. All accounts (except those of the Government) were kept in dollars, and the sole instrument and medium of exchange, both at Hong Kong and at all the open ports (except Shanghai) continued to be the silver dollar, weighed in Hong Kong at 1,000 dollars to 717 taels, *i.e.*, nearly 416 grains per dollar.

As a result of the gold discoveries in Australia in 1851, the

* Mace=Sk. *māsha* (the bean of the Phaseolus), apparently through the Malay. The Malay tael-weight was divided into 16 Mace each of 20 candareens (called *cumduryns* by Nunez in 1554); and it was hence that the n[illegible] which were familiar for centuries at Malacca, came to be applied later to t[illegible] decimal subdivisions of the Chinese tael-weight.

Like "mace" the word "tael" is of Indian origin, being the representative of the Hindu *tola*, which comes from the Sk. *tulā*, a balance.

† Cf. *L'Historia del Gran Regno della China* (a translation published at Venice in 1587 of Mendoza's Spanish work): "La moneta, che corre nel regno, . . . non è coniata, però si spende a peso, et ognuno porta i pesi seco, et alcuni piccioli pezzetti d'oro et d'argento per cõprar quello, che gli bisogna."

legal tender of British silver was limited in 1852 to 40 *s.* for Australasia by the Royal Proclamation * of 16th October 1852. This measure also applied to Hong Kong, Ceylon, and Mauritius, as it was anticipated at that time that India and the East generally would adopt a gold standard. The Royal Proclamation was brought into operation in Hong Kong, as from 1st October 1853, by Government notification of 27th April 1853. Henceforth, therefore, Hong Kong in theory enjoyed a gold currency with silver and copper tokens in subsidiary circulation; and the Imperial Government conceived that sterling was as much the actual currency of Hong Kong as of the United Kingdom.

As a matter of fact, however, except for unfortunate officials, the Royal Proclamation of 1844 was from the outset inoperative. In 1854 it was practically repealed, by a decision of the Colonial Chief Justice, that "when contracts were made in dollars, payment must be made *in such coins* and not in those specified in the Queen's Proclamation of 1844." The Colonial Government readily accepting this decision, the dollar was established, by a legal decision, if not by law, as the local standard of value both for the official and the mercantile communities. And as the stock of old Spanish dollars decreased *pari passu* with the increase of trade, and as time matured the Mexican dollar in the eyes of the Chinese, the latter coin became established about 1853 as the standard coin of the colony.

In 1861, when Peru dollars were depreciated and Spanish dollars rare, negociations were opened by Sir Hercules Robinson, then Governor of this Colony, to place the currency of Hong Kong on a sounder legislative footing, and to introduce a subsidiary coinage. By Royal Proclamation, under Order in Council of 9th January 1863, all existing Proclamations were repealed; and "the dollar of Mexico, or other silver dollar of equivalent value," as authorized from time to time, was made the only unlimited legal tender. Provision was made for striking at the Royal Mint in London; (i) copper cents and mils (or cash), respectively representing one hundredth and one thousandth of a dollar, and (ii) silver tokens representing multiples of the cent. This Proclamation was published in the *Hong Kong Gazette* of 2nd May 1863,† and embodied in a Local Ordinance No. 1 of 1864. The limit of legal tender for token subsidiary coins was fixed by the Proclamation at 2 dollars for silver, and 1 dollar for copper or bronze.

Thus, Hong Kong was finally and formally recognized as being outside the currency area of Great Britain.

But, though Hong Kong essentially forms part of the currency area of China, and recognises this by adopting silver as its standard of value, the actual units or measures of value are not those of China. China having no silver coins but only *weights*, the simplest course would have been to adopt Chinese weights for the colonial standard, and so to compute (as at Shanghai) by the tael of fine silver, using stamped weights of silver on the

* *See* page 28 and 435.

† Bringing the Royal Proclamation into force as from 16th February 1864.

Chinese system. But this course has not been taken. Instead, a coin has been used with equal economy, the Mexican dollar passing current as a weight of fine silver; precisely as in England, with a standard weight of fine gold known as a sovereign the gold coins of France, the United States, and other countries pass at their bullion value according to the number of grains of fine gold they contain.

European adherence to the dollar, instead of the Haikwan tael of fine silver, has resulted in the coinage of dollars by the Chinese themselves. In 1890 the Mint at Canton struck silver dollars, half-dollars, and pieces of 20, 10, and 5 cents, the millesimal fineness of which (i.) was nominally 900 for the dollar, 860 for the half-dollar, and 820 for the smaller coins, but (ii.) was actually found on assay by the Royal Mint* to be respectively 884·2 for the dollar, 848·2 for the half-dollar, 807·3 for the 20-cents, 808 for the 10-cents, and 811·1 for the 5-cents. The weights of the coins were fairly correct, though the dollars were fully half a grain lighter than the nominal standard of ·72 taels per dollar. It seems very doubtful whether these unreliable coins will ever succeed in supplanting the Mexican dollar in China, though small silver coins are now gladly taken by the Chinese in lieu of the debased "cash."

The latter observations have anticipated the order of time, and it is necessary to go back to the important further step taken by the Colony in 1864, after establishing the silver dollar as the local standard.

As local feeling, especially among bankers, was strongly in favour of the policy of having a British dollar, and as the establishment of Branch Mints in the colonies had already been agreed to by the Imperial Government in the case of New South Wales, the Colony of Hong Kong decided to establish a local Mint to coin a British dollar, which was to extend the sphere of British influence in the far East, and to provide a "clean" currency which would defeat the exactions of *compradors*. Ordinance No. 2 of 1864, was passed, providing for the new Mint; machinery was bought by the colony in London at a cost of about $ 71,500; and the Mint opened on 7th May 1866. Under the Treasury Regulations of 20th October 1866, the standard

* *See* page 53 of the 21st Mint Report.

From its opening (for silver coinage) on 22nd May 1890 to 31st December 1891, the total output at the Canton Mint was as follows:

	Nos.
Dollars	43,933
50-cent pieces	17,647
20-cent pieces	5,367,381
10-cent pieces	16,098,579
5-cent pieces	1,158,945

And from 1st January to 14th May 1892 the further output has been:

	Nos.
20-cent pieces	2,250,000
10-cent pieces	4,450,000
5-cent pieces	100,000

In addition, about half-a-million "cash" are struck per diem.

coin (modelled on the familiar Mexican dollar) was the dollar weighing 416 grains * of 900 millesimal fineness. A half-dollar was subsequently added of like fineness and of half the above weight. Subsidiary silver coins were to be struck, of 800 millesimal fineness, and of weights "in proportion to their nominal value, referred to the dollar." Such token coins struck were the 5 cent. piece, and the 20 cent. piece, the latter being substituted for a standard quarter-dollar originally proposed by the colony. Copper cents and mils (or "cash") were also sanctioned, but not actually struck.

Great things were hoped from the new Mint; but low exchanges and a mint charge of 2 per cent. resulted in its failure. The Chinese on the mainland could not be got to take the new dollar (though in intrinsic value it was identical with the current Mexican dollars) unless at a discount of 1 per cent. Daunted by the first reception of the new coin by the Chinese, and unwilling to pay for the privilege of striking a British dollar, and of educating China into the use of coin instead of bullion, the Colonial authorities decided to close the Mint. Accordingly, after just two years from its opening, the Mint was closed, and the machinery sold at the end of the year to Japan. The experiment did not extend over a time commensurate with the prejudices of the Chinese. In two or three years from the closing of the Mint the new dollar was accepted at par with the Mexican; and the subsidiary coins, which were at first only accepted at 35 per cent. discount, first reached par by virtue of their convenience, and soon were eagerly sought after at a substantial premium on their nominal value.

In concluding this episode of the local Mint, it remains to state that its total output of coins was as follows:—

Dollars - - - - - - - -	2,108,054
Half dollars - - - - - - -	58,587
20-cent pieces - - - - - - -	445,429
10 „ „ - - - - - - -	2,479,216
5 „ „ - - - - - - -	1,313,303

Of all these 6½ million coins, representing over 2¼ million dollars, none now remain in circulation in the colony.

Under the Royal Proclamation and Order in Council of 9th January 1863, and the local Ordinance No. 1 of 1864, provision was made for the Governor to admit "other silver dollars of equivalent value" to legal tender. That power was acted upon on 14th September 1866, when the Governor proclaimed the dollar and half-dollar of the Hong Kong Mint a legal tender, equally with the Mexican dollar. On 1st April 1873 the United States struck "trade dollars," weighing 420 grains,† of 900

* Before these regulations came into force there had been an issue of dollars of 410·052 grains, and of half-dollars of 209·5 grains. (*See* Part 2 of first Schedule to the Straits Order in Council of 21st October 1890, printed in the 21st Annual Report of the Deputy-Master of the Mint.)

† Apparently this weight was arrived at by taking (from Tate's *Cambist*) the treaty weight of the tael at 583·3 grains, and by multiplying this figure by 720, the Canton equivalent of 1,000 dollars in Canton taels.

millesimal fineness, or 378 grains fine, for the purpose of trade with the East. And Japan had established a Mint at Osaka (with the Hong Kong plant), from which were issued silver yens, which were the counterparts of the Hong Kong Mint dollar, weighing 416 grains of 900 millesimal fineness,* or 374·4 grains fine. At meetings of the Hong Kong Chamber of Commerce in January and February 1874 it was proposed that both the trade dollar and the yen should be admitted to tender; but the proposal was set aside in favour of the old policy of a "British dollar."† This the Home Government declined to sanction, on the score of cost.‡ On 30th June 1878 the United States ceased to strike the ambitious, but ill-advised trade dollar; and no action was taken in Hong Kong to legalise the yen. Further action was taken, however, in 1890 under the Order in Council of 1863, and Local Ordinance, No. 1 of 1864, by authorising a token half-dollar, or 50-cent piece, of 800 millesimal fineness.

The coins in legal circulation in the colony are therefore as follows (omitting the rare Hong Kong coinage):

Silver.

Mexican dollar - -	Unlimited legal tender.
50 cent piece - - -	Legal tender to $2.
20 „ „ - - -	„ „ „
10 „ „ - - -	„ „ „
5 „ „ - - -	„ „ „

Bronze.

Cent - - - -	Legal tender to $1.
Mil, or "Cash" - -	„ „ „

It is difficult to state with any precision the average number of Mexican dollars poured annually into Hong Kong.§ But vast numbers of subsidiary coins have hitherto been poured annually into the island, and thence into China, where these tokens are supplanting the debased copper "Cash" of the Chinese, particularly in connection with *douceurs* at the new year, &c. From the Twenty-second Annual Report of the Deputy Master of the Mint it appears that up to the end of 1891 no less than $7,336,800 in subsidiary coins had been struck in England for the colony, $4,125,400 being in 10 cent pieces, and $2,088,000 in 5-cent pieces. But the beginning of 1892 was marked not only by the cessation of all outside demand, but by

* *See* Second Report of the Deputy Master of the Mint, page 72.

† *See* also the speech of Mr. Samuel Montagu, M.P., in the House of Commons on 6th November 1888.

‡ On the general subject of the supply of Mexican dollars, and of the establishment of a local Mint, *see* the Fifth Annual Report of the Deputy Master of the Mint.

§ From 1880 to 1890 (both inclusive) about 45 millions of dollars would appear to have been shipped from London to Hong Kong, Shanghai, and Japan. The proportion for Hong Kong cannot be distinguished, and it is impossible to say what was shipped from San Francisco and elsewhere.

the wholesale introduction of Canton tokens into Hong Kong itself by compradors, native bankers, &c., all stimulated by the fact that the Chinese authorities at Canton were supplying the Canton subsidiary coins at a discount of from 10 to 20 per cent. On the other hand, "cents" are becoming much sought after on the mainland (as being more convenient than the Canton "cash"), though in Hong Kong itself they are at a discount when tendered in bulk, as compared with the more portable dollar or dollar-note; for small transactions they command their full nominal value.

In conclusion, a word is required as to the practice of "chopping" dollars. This practice appears to be peculiar to the province of Canton, and to be unknown in the north. Native Chinese merchants stamp or sign ('chop'*) every coin as it comes into their possession. No Chinaman will take back a dollar on which his stamp cannot be pointed out, though by the multitude of successive stamps a chopped dollar not only loses its "ring," but gradually becoms so obliterated that any individual stamp cannot be distinguished in one case out of a hundred. The state of a dollar long in circulation in Hong Kong is deplorable, but it seems impossible to overcome the Cantonese practice. On the contrary, "chopping" has been legally recognised in Hong Kong by the Governor's Proclamation, published in the "Gazette" of 21st October 1865, under the Local Ordinance No. 10 of that year. In 1890, when the Canton coinage was being introduced, the Chinese authorities were urged to prohibit the practice, but they expressed themselves powerless in the matter. The consequence is that "clean" (*i.e.*, unchopped) dollars for the northern ports command a premium of 1 per cent. or more, according to demand and supply at the time being.

It was estimated that the amount of coin in the colony on 31st December 1891 was $10,600,000, of which $10,000,000 was held by the European banks, and $200,000 by the Chinese banks.† Taking the population at 220,000 in round numbers, and the "active" circulation of coin at the *net* total of $400,000 (as deduced from the above estimate), the average metallic circulation works out at $1·8 per head, irrespective of nearly $27 per head in the form of bank notes, as shown subsequently.

* The word "chop" comes from the Hindi *chhāp*, a seal-impression, and can be traced back in European languages as far as 1537, when a Portuguese treaty states that a Nizam "sealed an agreement with his chop" ("e o chapo de sua chapa"). The origin of the "pigeon-English" name *chop-house* for Customs-station is explained by John Fryer in his "*New Account of East India and Persia*" (London, 1698), as follows:—"The Custom-house has a good Front, where the chief customer appears at certain hours to chop, that is to mark, goods outward bound."
Hence "first chop" is analogous in origin to "A 1."

† The smallness of this sum is explained by the fact that Chinese have no safe places in which to keep dollars in large quantities. Consequently they pay their money into the European banks, or exchange coin for notes, at the earliest opportunity.

Notes.

There has never been a Government issue in Hong Kong,* but notes issued by banks are in circulation. Of the three banks of issue on 31 December 1891, two (the Chartered Bank and the Mercantile Bank†) are governed by Royal Charters, whilst the third (the Hong Kong and Shanghai Bank was constituted by Local Ordinance No. 5 of 1866. The total issues of all the three banks are limited to the amount of their paid-up capital, which stands at 800,000 *l.* for the Chartered Bank‡, at 750,000*l.* for the Mercantile Bank, and at $10,000,000 for the Hong Kong and Shanghai Bank. These total issues have reference to the circulation not in any one colony alone, but in all places where the banks are empowered to carry on business.

The security of the issue of the Hong Kong and Shanghai Bank stands on a peculiar footing. Section XII. of the Ordinance of 1866 provides that,—

"It shall be lawful for the company to make, issue and circulate notes or bills payable to bearer on demand in coin lawfully current in the colony and to re-issue the same, provided that no such notes shall be issued for any other sums than the sum of 5 dollars, or some multiple of such sum, or other equivalent amount, unless the issuing of notes of other amounts shall be sanctioned by the governor; provided also that nothing herein contained shall exempt the company from the operation of any existing or future laws of the colony or of any port, city, town, or place beyond the limits of the colony where they may establish banks or branch banks, restricting or regulating the issue of such notes, by banks established therein; and provided also that the shareholders of the company shall be subject to *unlimited liability* in respect of all or any such issues or issue of notes, and, if necessary, the assets of the company shall be marshalled for the benefit of the general creditors of the company and the shareholders shall be liable for the whole amount of such issue, in addition to the sum for which they are liable under the other and general provisions of this Ordinance."

As a reserve against notes issued, each of the three banks is required to keep specie to the extent of one-third at least of the circulation. But, whilst the Chartered and the Mercantile Banks are required by their Charters to keep this proportion of specie in *each* colony in which they issue notes, the Hong Kong and Shanghai Bank is only required to keep in Hong Kong the total reserve against the total of its issues, whether in Hong Kong or elsewhere.

The lowest denomination of note allowed by Royal Charter to the Chartered and the Mercantile Banks is $5.

* Some few years back a proposal was considered, but subsequently dropped, for the issue of $ 1 notes by the Colonial Government.

† This latter Bank is stated to be under reconstruction as a limited liability company, a reconstruction which, if carried out, would forfeit the chartered Issue.

‡ Each dollar of issue is calculated at 4 *s.*, making the maximum issue $4,000,000.

The issue of $1 notes by the Hong Kong and Shanghai Bank was sanctioned by the Colonial Government in 1872 under the 12th Section of the Bank's Ordinance of 1866. These small notes are highly popular as a substitute for "clean" dollars, and as a means of escaping the impositions of compradors, &c.

The following table gives the local note circulation on 31st December of 1881 and of 1891:

Bank.	1881.	1891.
	$	$
Oriental Bank - - - -	807,133	Nil.
Mercantile Bank - - -	649,568	1,438,745
Chartered Bank - - -	589,388	1,382,665
Hong Kong and Shanghai Bank -	1,640,290	3,078,447
Total - - $	3,686,379	5,899,857

The circulation of bank notes at the present day therefore averages $26.8 per head of the population of Hong Kong (alone). But, in this connection, it is to be noted that the use of bank notes is not only fast supplanting the Mexican dollar in Hong Kong itself and in Canton, but is growing popular in the interior. Portable, and requiring no "shroffing" like the dollar, notes carry at the present time a premium over coin.

CHAPTER XXXVIII.

Straits Settlements.*

Of the three Settlements which unite to form this Colony, Singapore is the chief at the present day. It was also the chief in the 15th century according to João de Barros, who, writing in 1553,** expressly states—in words which aptly depict the present condition of Singapore—that "before the foundation of Malacca, at this same Singapura . . . flocked together all the navigators of the seas of India from West to East." †

With the beginning of the 16th century Malacca, in the hands of the Portuguese, rose to be the great *entrepôt* for European trade in the far East, a position which half a century later was partly shared by the Philippines. And it is of interest to note that, speaking of "Melequa" in 1498, the "Roteiro da Viagem da Vasco da Gama" records that the native money was composed of the staple commodity of the Straits, namely, tin.‡ With the arrival of the Portuguese, however, and with the discovery of the Philippines by the Spaniards,§ silver coin—and more particularly the dominant Spanish dollar—established a supremacy in the Straits which, as the trade has moved eastwards, has been retained and strengthened by the Mexican dollar, the lineal descendant of the old Spanish dollar.

It is a far cry from the beginnings of Portuguese colonisation at Malacca to the rise of British rule in what are now the Straits Settlements. In the interval Malacca, like many other Portuguese Colonies, had passed from Portuguese into Dutch hands; and its trade was already on the wane. The first British possession was not Malacca, but Pulau-Pinang, which was re-christened Prince of Wales Island by the East India

* I am indebted to Mr. W. Maxwell, Colonial Secretary, for valuable information respecting the currency of this Colony.

** *Decadas da Asia.*

† Curious to a modern reader is the statement of A. Hamilton in his "New Account of the East Indies" (1727):—"In Anno 1703 I called at Johore on my way to China, and he treated me very kindly and made me a present of the Island of Sincapure; but I told him it could be of no use to a private person, though a proper place for a company to settle a colony in, lying in the centre of trade, and being accommodated with good rivers (!!) and safe harbours, so conveniently situated that all winds served shipping, both to go out and come in."

‡ "Tin of which they make money; but the money is of large size and little value, so that it takes three farzalas of it to make a crusado." Tin coins are still in use in Malay States of the East Coast of the Peninsula (Pahang, &c.). The tin and lead coins of Achin are described in "Recherches sur les Monnaies des Indigènes de l'Archipel Indien et de la Peninsule Malaie," by Millies (La Haye, 1871).

§ *See* under Hong Kong, page 371.

Company, on its cession in 1786. For this settlement, which soon tended further to oust Malacca as a commercial entrepôt, the Company in 1787 and 1788 struck a silver coinage consisting of rupees, with half and quarter rupees, and copper cents, half-cents and quarter cents, a further issue of which was fruitlessly recommended by Lieut.-Governor Farquhar in 1805.* There were also "pice," here usually of tin. For, on 22nd March 1809 a Government advertisement states that, "Whereas large quantities of spurious pice are now in circulation in this Settlement, and Government having ordered a new coinage of pice to the amount of 4,000 dollars; which with those that have been before been coined at different times, by order of Government, will be sufficient for the purpose of general circulation; notice is hereby given that on and after the first of next month no pice will be received into the treasury of this island, except such as have been coined by the orders of Government, as before mentioned, so that 100 of which (*sic*) pice shall not weigh less than 4¾ catties of pure tin."

Though the Company had established the rupee as the standard coin in Penang, the trade relations of the settlement constrained the mercantile community to adopt as their standard, not the Indian coin, but the universal Spanish dollar, the coin familiar to the conservative races with whom they had commerce. Therefore, from the earliest days of Penang, the dollar, not the rupee, was the recognised standard of value. Writing of this island, Kelly says, in his "Universal Cambist" of 1825:—"Accounts are kept in Spanish dollars, copangs,† and pice, 10 pice making a copang, and 10 copangs one Spanish dollar. The current pice are coined in the island; they are pieces of tin, 16 of which weigh the catty, or 1⅓ lb. English. On the exchange of dollars into pice there is a loss of 2 per cent.; on dollars without the King's head,‡ 10 per cent.; and from 5 to 10 per cent. on all dollars defaced (*i.e.* 'chopped.'")§

The old "Carolus," or "Pillar Dollar,"‖ of Spain is to this day the standard coin in certain of the neighbouring Malay and Siamese-Malay States. In Achin and in the States of Raman,

* *Journal of the Indian Archipelago*, v. 418. In 1810 the Royal Mint coined 25 tons of copper for Penang into pieces weighing respectively, 160 grains and 80 grains, and therefore comparable with the cent and half-cent of 1847. In 1813–14 there was a tin coinage issued in Java by the British Government. *See* Netscher *Moneten van Ned. Indie* (Batavia, 1863).

† This word is still used in the island of Penang to signify 10 cents of a dollar, though it is unknown in the neighbouring Settlements of Singapore and Malacca. The Memorandum of 1805 by Lieutenant-Governor Farquhar (Journ. Ind. Arch., v. 418) speaks of "doublekies or cupangs," the "doubleky" being the Dutch coin of 2 stuyvers, or 10 duits.

‡ *i.e.*, "Republican" dollars struck in Mexico, &c., after 1810. Compare the earlier preference of the Chinese for the old Spanish coins at Hong Kong.

§ Atkins mentions copper "cents, half-cents, and 2-cents" as having been coined for Prince of Wales Island in 1825 to 1828, presumably on the model of the coinage of 1810.

‖ The Malays, like the Arabs of North Africa (*see* page 391), call these coins "*cannon* dollars," mistaking the Pillars of Hercules for the recognised pioneers of European civilisation.

Lege, Patani, and (to a less extent) Kelantan, none but pillar dollars are accepted by the natives.

As to Malacca, which after being restored to the Dutch in 1818 had been finally taken over by the East India Company in 1825, Kelly states that "accounts are kept in rix-dollars of 8 schillings of 48 stivers; the stiver is subdivided into 4 duits.* The rix-dollar is an imaginary money in which all contracts for goods are made; but the principal current coins are rupees,† Dutch schillings, Dubbeltjes, 2-stiver pieces, and doits. The Spanish dollar is from 25 to 40 per cent. better than the rix-dollar of account; hence at a medium the rix-dollar is worth 3 *s.* 4 *d.* sterling. A Dutch ducatoon passes for 13 schillings; an English crown for 10 schillings; a Bombay or Surat rupee for 5 schillings; a Madras or Arcot rupee for 4 schillings, more or less. A stamped Japan copang ‡ passes for 10 rix-dollars.

It was in 1826 that, Singapore having been ceded finally in 1824, the three settlements of Malacca, Penang, and Singapore were united under one government with its seat at Penang. Not until 1837 did Singapore supplant Penang.

The currency of the Straits Settlements is thus described in Low's "Dissertation on Penang, &c.," in 1836:—"The dollar is the favourite coin in the Straits. It exchanges in the bazaars for a number varying from 100 up to 120 pice. At present it is pretty steady at 106. Indian rupees are also in circulation, but gold coins are hardly ever seen. There are also half dollars, and the divisions of the Sicca rupee. A Sicca rupee exchanges in the bazaar for 50 pice on an average." And, similarly, Newbold, in his "Account of the British Settlements in the Straits of Malacca" (London, 1839), after mentioning that the Spanish dollar was the merchants' standard, and that Indian coins were in circulation, goes on to say that "guilders and half-guilders, and other Dutch coins are disappearing" (he is probably referring here to Malacca in particular). "The most current copper coins are the cent, the half and quarter cent, the doit, the wang, the wang bhara,§ and Indian pice."

In 1835 the Company revised its currency legislation for the whole of its territories, which included the Straits Settlements, and made no exception in favour of the dollar-using colony when

* 5 doits went to the stuyver of Holland, as against 4 to the stuyver of Dutch India.

† In Dutch India the guilder or florin was, and is to this day, spoken of as a "rupee;" so that Kelly's statement need not refer to Indian coins, though the position of the word "Dutch" after "rupees" points this way.

‡ This gold coin of Japan is not to be confused with the *copper* coins of 1 and 2 capangs coined for Malacca in 1835 by the East India Company. Marsden's Malay Dictionary of 1812, says "keping" is "a copper coin, 400 of which are equal to a Spanish dollar."

§ "These are Malay words. The *wang* was the Netherlands Indian stijver, = 4 duits, and the *wang bhara* was the European stijver, = 5 duits. Twenty-two years ago, when I was magistrate of Malacca, I often heard the expression *wang bhara* used to signify 2½ cents of a dollar, though there was no corresponding coin. This is similar to the use of the word *Kapang* in Penang." (Note communicated by Mr. W. Maxwell).

enforcing the establishment of the rupee as the standard coin, with pice in subsidiary circulation. The first concession which the Company made to the requirements of Straits currency was in 1847, when by Act No VI. of that year it was provided that the Indian Regulations "shall not be deemed to apply to *copper* currency of the Settlements of Penang, Singapore, and Malacca. From and after 1st January 1848 the following copper coins only shall be received at or issued from any Government Treasury within the said Settlements (i) a cent, weighing 144 grains troy; (ii) a half-cent, weighing 72 grains; and (iii) a quarter-cent, weighing 36 grains." These copper coins* were to be legal tender only for fractions of a dollar, and "the circulation in the said Settlements after the said day of all copper coins or tokens, not being the authorised legal coinage of any British or foreign Government, is prohibited," under penalty of not more than Rs. 10.

But this concession was withdrawn in 1855. The preamble of Act No. XVII. of that year reads as follows: "Whereas the Company's rupee is by Act XVII. of 1835 a legal tender in the Setlements of Prince of Wales Island, Singapore, and Malacca, but no copper coin, exeept the half-pice issued under the Act XI. of 1854,† is now by law legal tender for fractions of a rupee in that Settlement; and it is expedient to remedy this defect in the law; and whereas besides the rupee the dollar is by custom current in the said Settlement; and it is expedient to provide that the copper currency which will be legal tender in the said Settlement for fractions of a rupee shall also be legal tender in the said Settlement for fractions of a dollar;"—it was enacted that from 1st July 1855,—

				$
A pie should be a legal tender in the Straits for	-	$\frac{1}{180}$
A Half-pice	„	„	„	-	$\frac{1}{360}$
A Pice	„	„	„	-	$\frac{1}{140}$
A Double Pice	„	„	„	-	$\frac{1}{70}$

Commenting on this Act in 1863, Sir Hercules Robinson reported to the Imperial Government, as follows: "In 1854, I believe, the Government of India adopted measures for forcing the rupee into general circulation in the Straits Settlements, and for making it the only legal tender in all transactions. With this view the copper currency, consisting of cents of a dollar, half-cents, and quarter-cents, previously supplied under the provisions of the Act of 1847, was withheld, and the Indian copper money, which cannot conveniently be adapted to a dollar currency, was substituted in its place. But great inconvenience having been experienced, and public demonstrations against the change having taken place, the authorities at home were appealed

* They were struck at the Calcutta Mint, and were stated in 1863 to have "a wide circulation beyond the Settlements in many parts of the Malayan Peninsula and Indian Archipelago, being preferred by the natives to the Dutch doit, which is nearly the only other small money known to them."

† When this new coin was authorised by the above Act, it was made "a legal tender in any part of the territories of the Government of the East India Company."

to, and the project was countermanded."* After pointing out that the new Indian Currency Act, No. 13 of 1862, made the Indian coins legal tender in the Straits, as in all other Indian territories, whereas no measure had ever been passed giving legal currency to the real and sole measure of value in the colony, Sir Hercules Robinson exposed the absurdities of the existing regulations in the following words:

"All accounts throughout the Straits Settlements, except those of the Government, are kept in dollars and cents, but the public accounts are kept in the denomination of rupees, annas, and pie, causing thereby much needless labour and confusion in the financial departments. With the exception of the receipts from stamps, which it is optional with the public to pay for either in rupees or dollars, the whole of the public revenue is required to be paid in dollars, but it is brought to account in rupees at a par of Rs. 224 8a. $6\frac{40}{100}$p. for every $100 received at Singapore and Malacca, and at a par of 220 rupees at Penang. All payments from the local treasuries are made in dollars, but disbursements to the public are charged in the public accounts in rupees at a par of Rs. 224 8a. $6\frac{40}{100}$p. in Singapore and Malacca, at a par of 220 rupees at Penang; whilst the salaries of all public servants, civil as well as military, which are fixed in rupees, are paid at all the Settlements in dollars at a par of 220 rupees. Thus the sum of 100 dollars is received at the Singapore Treasury, is brought to account of revenue as Rs. 224 8a. $6\frac{40}{100}$p., and is paid away to an official for 220 rupees, the account being balanced by an entry of "loss by exchange," Rs. 4. 8a. $6\frac{40}{100}$p. The confusion is still greater as regards the transactions under the Indian Stamp Act, for the values of the stamps being expressed in rupees and annas, a Government Regulation had to be issued under the authority of a special Act of the Indian Legislature, No. 28 of 1863, declaring that dollars would be received at the local treasuries in payment for stamps at the rate of $100 for Rs. 227 4a. $4\frac{4}{11}$p., equivalent to $2\frac{2}{3}$ cents per anna. Thus stamps representing Rs. 227 4a. $4\frac{4}{11}$p. are sold at the stamp office for $100, which $100 is brought to account in the treasury books as a receipt Rs. 224 8a. $6\frac{40}{100}$p., and is paid away to a public official for 220 rupees. Again, another arrangement is in force as regards postage labels, upon which the values are also inscribed in annas, whilst the labels are sold to the public for dollars, as has been before observed, at the rate of Rs. 224 8a. $6\frac{40}{100}$p. for $100. But these labels are accepted in payment of British postage at the rate of one anna for three halfpence, which at a par of 4 *s.* 2 *d.* to the dollar is equivalent to a par of Rs. 208 5a. 4p. for $100; that is, the postage labels are sold by the Government at a low valuation, and are accepted back in payment of postage at a high one; or, in other terms, labels representing Rs. 224 8a. $6\frac{40}{100}$p. are sold to the public for $100, whilst labels representing only Rs. 208 5a. 4p. are accepted from the public

* *See* Parly. Paper of 1866, "Correspondence respecting the transfer of the control of the Straits Settlements from the India Office to the Colonial Department."

in payment of $100 of British postage; and the difference of Rs. 16. 3a. $1\frac{60}{100}$p., equivalent to upwards of 7 per cent., is lost to the local Government."

"In short, the whole system under which coins not in circulation are declared by law a legal tender, and the public accounts are required to be kept in the denomination of one currency, whilst the real monetary transactions of both the Government and the public are conducted in another, is unsound, and productive of nothing but needless labour and confusion."

For some years the merchants of Singapore had advocated the coinage of a British dollar. The opening of the new Mint at Hong Kong in 1866 met this demand, and all that was now needed was to make dollars the legal, as they had always been the actual, standard of value in the Straits. This salutary change was effected as part of the transfer of the Colony from the Indian to the Imperial Government under the Act 29 & 30 Vict. cap. 115, which was brought into operation as from the 1st of April 1867 by Order in Council of 28th December 1866. No time was lost by the new local Legislature in reforming the currency system. Under date 1st April 1867, "The Legal Tender Act of 1867"* was passed, repealing all laws for making Indian coins legal tender, and declaring that from 1st April "the dollar issued from Her Majesty's Mint at Hong Kong, the silver dollar of Spain, Mexico, Peru, and Bolivia, and any other silver dollar, to be specified from time to time by the Governor in Council, shall be the only legal tender in payment, or on account of any engagement whatever, except as is hereinafter mentioned (*i.e.*, as to subsidiary silver coins) within this Colony and its Dependencies; provided that no dollar shall be a legal tender unless it be of the same fineness and intrinsic value as the Hong Kong dollar, and be not less than 415 grains troy weight, and be not injured or defaced." The Act goes on to place limits of tender of $2 and $1 respectively, on silver coins (to be coined by a British Mint, and (ii) on "such copper or bronze coins as may now be current in this Colony and its Dependencies under Act No. 6 of 1847 of the Indian Legislature, as well as such copper or bronze coins as may be issued from Her Majesty's Mint, any branch thereof, representing the cent or one-hundredth part, the half-cent or two-hundredth part, and the quarter-cent or four-hundredth part of the dollar.†

So long as the Hong Kong Mint was working, no question could arise as to the supply of suitable subsidiary coins in silver and copper, provision for the currency of which had been made

* The Imperial Government had proposed to proceed by Imperial Order in Council, &c. under the Imperial Act. Indeed, an Order and Proclamation, practically identical with the local Act, was passed on 17th May 1867, but, being forestalled by the local measure, was never promulgated.

† The standard of value having now been satisfactorily fixed, the Colonial Legislature proceeded, by Act No. 5 of 1867, to provide for the conversion of rupees in all payments by or to the Government, and for the keeping of the public accounts in dollars, &c. The rate at which the conversion of the old into the new currency was to be effected was 220 rupees per $100.

in the Act of 1887. But, as the Hong Kong Mint was closed in 1868, only two years after its opening, and as the tokens struck at that Mint were speedily absorbed, it became necessary for the Straits to provide their own subsidiary coinage. This the Colony proceeded to do in 1871, under the provisions of the local Act of 1867; the highest denomination for the first fifteen years being the 20-cent. piece. On the model of Hong Kong, the silver tokens of the Straits were of 800 millesimal fineness. In 1886, a token half-dollar was added, of the same standard. The details of the coins struck for the Straits from 1871 to 1891, inclusive, will be found in the 22nd Annual Report of the Deputy Master of the Mint, the total being given as 2,684,850 dollars. If the population of the Straits Settlements on 31st December 1891 be taken in round numbers at 513,000, the above total coinage of silver and copper tokens for the Colony is equivalent to 5·23 dollars per head; but this figure represents a *maximum*, rather than an actual circulation. For, a considerable number of Straits tokens are carried off (though not to the extent prevailing in the case of Hong Kong) for circulation in neighbouring countries.

To revert to the standard coin, it is to be noted that, by Order of the Governor in Council of 10th January 1874 (under the Ordinance of 1867), the American trade dollar and the Japanese yen (which was coined on the model of the Hong Kong dollar, with the Hong Kong machinery) were admitted to unlimited legal tender, equally with the Mexican dollar.

For some years before 1890 the Colony was flooded with the copper coins of the North Borneo Company. As the law on the subject was not deemed sufficiently stringent to deal with the evil, it was decided in 1890 to consolidate and amend the currency legislation of the Colony. This was done by the Order in Council of 21st October 1890, which came into force on 1st January 1891, the text of which will be found in the 21st Annual Report of the Deputy Master of the Mint. In essentials, it left the local system of currency unaltered.

In concluding this survey of the history of metallic money in the Colony, it remains to be added that, as compared with Hong Kong, the Straits Settlements are less influenced by the vagaries of the Chinese. "Chopping" is not in vogue here, and the weight and fineness of each coin tendered is not so suspiciously scrutinised as in Hong Kong. In fact, currency is practically by tale in the Straits, as in Europe. It will be noticed that the dislike of "chopped" dollars in the Straits dates back to at least before 1825 (*see* page 382, *supra*); at the present day "chopped" dollars are never seen in the Straits Settlements.

Bank Notes.

At no time has there been a Government issue in the Straits Settlements. The notes in circulation are those of the three banks which monopolise the note-circulation in Hong Kong, and are issued under like conditions.

The amount of paper currency * in local circulation, none being a legal tender, was as follows on 31st December 1891:—

BANK.	Singapore.	Penang.	Malacca.
	$	$	$
Mercantile - - - - -	573,095	428,875	179,400
Chartered - - - - -	1,328,439	1,496,873	—
Hong Kong and Shanghai -	1,396,557	546,594	—
$	3,298,091	2,472,342	179,400

Thus the total amount of bank notes in circulation was 5,949,833 dollars, or 11·2 dollars per head of the population.

* In 1884, when the Oriental Banking Corporation collapsed, the other Straits Banks were constra ned, in self-defence, to cash notes of the local issue (amounting to over $ 300,000) of the bankrupt Corporation.

APPENDIX A.

APPENDIX A.

COINS CURRENT.

(1.) The Spanish and Mexican Dollar.

(Synonyms:—Pieza de á ocho, Piastre,* Piece (or Reall) of Eight, Colonato, Peso Duro, "Cob," Gourde,† Escudo de Plata.)

IT is apparently upon the authority of Zedler's *Universal-Lexicon* (1745) that the Spanish "dollar" (or "piece of eight" reals) is generally traced back, in substance as well as name, to the *thaler*. A translation of Zedler's statement is as follows:—

"*Thaler*, *Tahler*, *Reichsthaler*, *Jochimsthaler*, Thalerus Imperialis, Joachimicus Vallensis: The first coins on this foot were struck as early as the fifteenth century, and were known as 'Gülden groschen,' as in the case of those of Maximilian the First in 1479,‡ of Duke Sigismund in 1484, or Friedrich of Saxony in 1500.

"But since the Counts of Schlick caused a great number of these coins to be struck in 1517§ in the little town of Jochimsthal in Bohemia, they came to be called 'Jochimsthaler.' (These thalers are also called 'Josepher,' from the effigy of Joseph, which they bear with that of St. Joachim.) In later years such coins were struck elsewhere also, with but slight variation, such as the Cross or Albertsthaler, the Burgundian, the Dutch, the Spanish 'Philipps-und-Dickethaler,' the French,‖ &c."

But 20 years before the minting of these thalers, or dollars, in the "Thal" (or Dale) of St. Joachim, Ferdinand and Isabella had issued their Edict¶ of 13th June 1497, of which the following is a translation:—"Moreover, we ordain and command that in each of the said mints there shall be struck silver money to be called 'reals' (*i.e.*, 'royals'), weighing 67 to the mark, and not less, and 11 dineros 4 granos** fine, and no less; and that there shall be struck reals, half-reals, quarter-reals, and eighths of reals." And, further, the real of their Catholic Majesties was identical in fineness, and practically identical in weight, with the real of John II.,

* The name "Piastre," commonly derived from the Italian *piastro* (a plaster), the Latin (*em*)*plastrum*, and the Greek (*ἐμ*)*πλαστρον*, suggests the *pilasters* or pillars (*see* infra) so characteristic of the coins struck in Spanish-America for 300 years, dating from the beginning of the sixteenth century. But the form of the word seems Italian, and Ducange notices *plastra* as an old form of piastre.

Piastra d'Argento is explained by John Florio, in his "Worlde of Wordes, or most copious and exact Dictionarie in Italian and English" (London, 1598), as "a coine or plate of silver used in Spaine." "*Piastra*" alone, Florio calls "any kind of plate or leaf of mettal."

In 1674 Blount, in his "Glossographia," says, "Piastre, a coyn in Italy, about the value of our crown."

† Littré's Dictionary derives this French name for the dollar from the Spanish "*gordo*, gros: cette pièce étant dite une grosse pièce."

‡ 1472, according to page 15 of the first volume of Becher's "*Das Oesterreichische Münzwesen*" (Wien, 1838).

§ 1518, according to Becher, vol. i., page 17. The coins were 15 loths fine, and 8 to the Cologne mark. Hence they weighed slightly over 451 grains troy, and were of 937·5 millesimal fineness. At Augsburg, in 1566, the fineness was reduced to 875 for the Reichsthaler, or rix-dollar.

‖ The silver écu was not struck until 1641.

¶ Cited at page 324 of the first volume of Heiss' *Monedas Hispano-Cristianas* (Madrid, 1865).

** Equal to 930·5 millesimal fineness.

who in his Ordinance of 1442 professes to be maintaining an old standard. Pedro the Cruel, indeed, would appear to have been the first to coin the real, which thus dates from before 1369. (Heiss, I., 61; and page 9 of the "Breve Reseña Historico-critica de la Moneda Española," printed as an appendix to the "Resumen de los Informes sobre la cuestion Monetaria," Madrid, 1862).

Thus it will be seen (i.) that from the outset in Spain it was not the "peso," but the *real*, which was the unit; (ii.) that the standard real of Spain, and its multiple the piece-of-eight-reals, is a century and a half older than the "thaler"; and (iii.) that the "piece-of-eight" was of a less weight and fineness than the reichsthaler or rix-dollar (prior to the Leipziger Fuss of 1690, when the intrinsic content became nearly the same in both coins).

Though specific provision was not made in 1497 for multiples of the real, yet pieces of four and of eight reals, struck in the reign of Ferdinand and Isabella (1497–1516), are known, though rare. The relation, in short, of the peso to the real is strictly comparable to that of the English crown to the shilling.

In 1518, the year after the great coinage of thalers in Joachimsthal, Mexico was conquered by Cortes; and six years later followed the conquest of Peru by Pizarro, the rich mines of Potosi being discovered in 1545. Consequently, on the coins of the Emperor Charles V. (I. of Spain), "first appears the type of the pillars of Hercules, with the modern device *plus ultra*, in lieu of the ancient *non plus ultra*, because Cristóbal Colon had proved that there were other lands and other worlds beyond the limits set by Hercules" (Heiss). Many of these "pillar" coins are shown by the mint mark M* to have been struck in Mexico. According to Jose Caballero,† cited by Heiss (op. cit., p. 149), "it was only in the Indies that silver money was coined by order of the Emperor (Charles V.) with the device of the pillars of Hercules rising over waves of the sea." The (crowned) pillars are united by a scroll with the legend (in whole or part) *plus ultra*. The legal weight and fineness of the "piece-of-eight," as it was commonly, and properly, called in olden times, until (after 1690) practical equivalents of value with the rix-dollar encouraged the general adoption of the name "dollar," tally with those prescribed in 1497, for the standard real of which it was a multiple.

Up to 1728 the "piece-of-eight" was commonly referred to four types both in England and in the colonies, viz., "Seville, Mexico, Pillar, and Peru." The distinction is not uniformly clear. But (i.) in no case (until after 1821) did the coins struck in Spain bear the pillars, or have the additional legend *et Indiarum* after *Reæ Hispaniarum*; and (ii.) "cobs," or formless lumps‡ of stamped bullion, marked on one side by a cross like the arms of a windmill,§ were known as "Peruvians," though frequently they were struck in other colonies. In Spain, according to Heiss, they received the name of "duros cortados, cap de barra, piastras cuadradas," &c.; (iii.) Mexican coins prior to 1728 rarely bore pillars; and hence, (iv.) by a process of exhaustion, "pillar pieces" appears to have been the name for all *round* coins struck in America, and bearing the characteristic pillars, even when the legend was "Potosi el Peru," as on Peruvian coins (*e.g.*) of 1652 and 1691.

From the Royal Ordinances of 1650 and 1653, it appears that in the reign of Philip IV. there "occurred a scandalous falsification in the fineness of the silver moneys coined in our Peruvian mints." This accounts for their practical demonetisation in the British colonies in the last half of the seventeenth century. In 1717 Sir Isaac Newton reported on Peru pieces of eight as "of uncertain allay."

* These emblems, which represent the Straits of Gibraltar, were mistaken in Morocco for cannon; whence the Arabic name for this coin, Abu Madfa, "father of cannon." *See* also p. 382 *note*.

† "*Breve Cotejo y balance de las pesas y medidos*."

‡ Speaking of these piastres, Damoreau, in his *Traité* of 1727, says, "Dans le Perou on ne prend pas à present la peine de les bien former."

§ Whence their Mexican name, "máquina de papalote y cruz," or "windmill and cross money."

Passing over Spanish reals of "new plate"* and "provincial" money, the standard weight and fineness of the piece-of-eight remained unaltered until the beginning of the eighteenth century. On 9th June 1728, under the Bourbons, the millesimal fineness was lowered from 930·5 to 916·6̇, and the Castilian mark was ordered to be coined into 68, instead of 67, reals.† At this time the Spanish-American "piece-of-eight," or dollar, began to bear the additional device of two globes resting on the waves between the pillars; whence the name "globe-dollar" in later times.

In 1772 a great recoinage was carried out, with a further reduction of the millesimal fineness to 902·7̇ (10 din. 20 gr.), though the gross weight remained unaltered.‡ And at this date the familiar device appears of the Spanish arms between pillars, in lieu of the two globes.

The weight and fineness of 1772 continued in Spain until 1848, and remain to this day as the standard of the "Mexican dollar," the lineal descendant, and chief existing representative, of the old "piece of eight."§ (Another notable representative of the dollar of 1772, besides the dollar of the Philippine Islands, is the United States silver dollar‖ (and, indirectly, the gold dollar also), which in 1785 was avowedly modelled on the average Spanish dollar in circulation). In latter days the Mexican (Republican) dollar has served in its turn as a model for new dollars, viz., the Hong Kong Mint dollar, the Japanese yen, the ill-fated American trade dollar, the French *Piastre de Commerce* (1878, Zay, p. 116), and the new Canton dollar. The "Carolus," or old "pillar dollar" of Spain, remains the standard coin in the Malay and Siamese-Malay States of the interior, the inhabitants of which (almost all Chinese) do not come into general relations with white men or with the natives of the British Protected States. In the States of Reman, Legê, Patani, and (to a less extent) Kelantan, no dollar but the "pillar dollar" is accepted by the natives, although prolonged circulation has worn many of these so much that the impression is almost obliterated. It would seem to be the fate of the dominant coins of Europe to find, when discarded or superseded at home, a last resting place among Oriental peoples. Just as the early sequin of Venice passed into Turkey, and the later gold ducat of the Empire into Barbary, so the Spanish dollar has degenerated into the piastre of Turkey and Egypt.

Between the old Spanish and the modern Mexican dollars there was a hiatus in the coinage, occasioned by the Revolutionary wars. Apart from hammered and cast dollars, the distinct non-Spanish issue dates from 1822, when Iturbide became Emperor, or (better) from 1824, when the Republic of Mexico was established. The designs of the Mexican dollar have been three in number, known as "old die," "Maximilian," and "new die." The original "old die" was set aside some 30 years ago for the effigy of the Emperor Maximilian, and again in 1868–69 for the "new die," which introduced the eponymous device of a pair of scales. But, as the "scale

* "New plate," as opposed to "Mexican plate," arose first from the financial exigencies of Philip IV., who by *Pragmatica* of 23rd December 1642, debased the Peninsular real, and ordered that the (American) piece-of-eight should pass as a piece of ten new reals. But "new plate" practically dates from the *Pragmatica* of 14th October 1686 of his successor Charles the Second. It is with reference to this latter *Pragmatica* that Newton spoke in 1702 of the "Piastre of 8 reaux now raised to 10."

† Ostensibly to pay for the increased cost of manufacture of the more artistic coins now struck.

‡ Paragraph 5 of the *Pragmatica* of 29th May 1772 declared that the weight and fineness were to remain unchanged. "This," says the *Breve Reseña*, "is what was stated to the public. But at the mint quite a different announcement was made." Here the fineness was ordered to be reduced to 10 din. 20 gr. fine, *i.e.*, by 1·4 per cent.

§ It was only on 1st July 1890, under the provisions of the Decree of 2nd December 1889, that the *real* was abolished in Mexico to make room for a decimal system, and consequently that the Mexican dollar ceased to be in fact a "piece-of-eight."

‖ *See* infra, page 398, and "A Monograph of the Dollar," by J. L. Riddell (New Orleans, 1845), dealing with Spanish and American varieties, including counterfeits, then in circulation.

dollar" was unfavourably received in China, the chief market for Mexican dollars, a return was made to the "old die," which is that exclusively in use at the present day.

As has been pointed out above, the modern Mexican dollar still retains (practically) the legal weight and fineness assigned in 1772 to the earlier Spanish dollar, the standard weight being 27·073 grammes, and the millesimal fineness being 902·7. But the common system of coinage is to allow 263 grammes of alloy to 2444 grammes of fine silver, and to coin the total gross weight of 27·07 grammes into $ 100. Consequently, each dollar is coined to weigh 27·07 grammes (or 417¾ grains) gross, and to have a fine content of 24·44 grammes (or 377·13 grains), the fineness being 902·844 per mille; but the fineness stamped on the dollar is 902·7, or 10 din. 20 gr. in earlier fashion. Apparently, the difference between the old Spanish and modern Mexican standards of weight, arises from the fact that the Castilian mark, as used in Spain, was a small fraction lighter than the mark in use in Mexico.

According to American assays the fineness of the Spanish pillar dollar averaged 900 from 1772 to 1808, and fell to 898 from 1808–25, a result which tallies with the fine content of 370·9 grains, assigned by Kelly to the coin in 1820. The weight and fineness of the Republican dollar have varied with the respective mint and the date of coinage. The average fine content fr. 1824–35 was found on assay to be 371·84 grains; from 1836–41, 374 grains, rising subsequently to 375 grains. In 1873 a somewhat heavier coin began to be received (containing 375¼ grains fine), and the upward movement continued. In 1879, 800 dollars were obtained, 100 from each of the seven principal mints, and 100 from the various other mints. The following remarkable results were derived from this investigation:—

Mint Mark.*	Average Weight.	Average Fineness.	Average Fine Content.
	Grains.	*Per Mille.*	*Grains.*
Do. Durango	417·849	907·7	379·281
Ca. Chihuahua	417·235	905·6	377·848
Ga. Guadalajara	417·590	903·2	377·167
M. México	417·547	903·2	377·128
Pi. San Luis Potosi	417·619	902·2	376·775
Go. Guanajuato	417·748	901·7	376·683
Zs. Zacatecas	416·995	901·5	375·920
Various	417·000	904·2	377·051
AVERAGE	417·448	903·7	377·247

It will be observed (1) that the average *weight* is remarkably uniform, being in no case 3-4ths of a grain less than standard, and averaging 3-10ths of a grain less, and (2) that the *fineness*, whilst never falling more than 1⅛ per mille below standard, and whilst rising 5 per mille above standard in one case, is no less than 1 per cent. above standard on an average of the total number of 800 coins examined.

In 1891 the Royal Mint† conducted an elaborate investigation into the weight and fineness of an average sample of 11,846 Mexican dollars

* The coins of the following five mints were preferred at the northern ports of China in the following order: (1) Guanajuato; (2) Zacatecas; (3) Mexico; (4) Guadalajara; and (5) San Luis Potosi. The first-named is the "Sun dollar," or Shanghai dollar, No. 1.

† *See* the 22nd Report of the Deputy Master of the Mint.

procured in the London market. It was found in 1891, as in the previous examination of 1879, that fully three-quarters of the coins had been struck within the previous six years. The following table gives the details of the investigation, classified under the 11 mints:—

Mint Mark.	Percentage of Total Number.	Average Weight.	Average Millesimal Fineness.	Average Amount of Fine Silver.	*Average Amount of Fine Gold per Coin.*
		Grains.		*Grains.*	*Grains.*
M (México)	29·77	417·659	902·7	377·021	*0·040*
Zs (Zacatecas)	21·71	417·056	901·5	375·976	*0·126*
GO (Guanajuato)	17·81	417·459	899·4	375·463	*0·174*
PI (San Luis Potosi)	10·26	417·470	903·3	377·101	*0·140*
CA (Chihuahua)	7·67	417·427	901·3	376·227	*0·143*
GA (Guadalajara)	3·91	417·180	901·3	376·004	*0·402*
DO (Durango)					
AS (Alamos)					
CN (Culiacán)	8·67	417·177	902·9	376·669	*0·179*
HO (Hermosillo)					
OA (Oaxaca)					
Adjusted Average of the whole Sample	100·00	417·394	901·647	376·342	*0·129*

It will be observed that Mexico supplies nearly a third of the total number of coins, and that the fineness of the Mexico coins is that of the standard, whilst the weight shows a remarkably close approximation to the standard of 417·8 grains.

The Mexican Mint Report of 1889 gives the following particulars:—

I. Total silver coinage in the financial year 1887–88, $ 25,862,977, of which no less than $ 25,281,599 was in "piezas de á un peso," or "Mexican dollars."

II. Relative proportion of silver coined by each of the 11 mints:—

Alamos	2·24 per cent.
Culiacán	2·95 „
Chihuahua	10·22 „
Durango	4·02 „
Guadalajara	3·90 „
Guanajuato	17·52 „
Hermosillo	0·69 „
México	27·56 „
Oaxaca	0·43 „
San Luis Potosi	10·61 „
Zacatecas	19·86 „
	100·00

III. Total silver coinage from 1537 to 30th June 1888, $ 3,193,215,137·92, distributed as follows:—

	$
Colonial epoch, 1537—1821	2,082,260,657·44
Independence, 1821—1888	1,110,954,480·48
	$ 3,193,215,137·92

And to this output the decade from 1st July 1878 to 30th June 1888 had contributed £250,946,013·2

(2.) The Spanish Pistareen.*

In the Spanish Wars of Succession, at the beginning of the eighteenth century, a quantity of "base" coins representing two *reals*, or $\frac{1}{4}$, of "new plate," were issued by the rival claimants, with a profitable reduction of the millesimal fineness. The revenue accruing to the King from the new coins led to their issue in still greater profusion in later years. Though nominally "provincial" coins, intended for the Peninsula only, and passing there as the fifth of the old piece-of-eight, they rapidly travelled to the New World, and particularly to the British Colonies in the West Indies.

The first notice of the pistareen's appearance in this country is contained in the following letter, of the 16th January 1712–13, from Sir Isaac Newton, then Master and Worker of the Mint, to "Mr. Chancellour":—

"Our Assay Master being out of Town and his Clerk sick in bed, I got the Two Spanish Peices Assayed at Goldsmith's Hall. The Peice of King Charles weighed 3^{d}. wt. 12^{gr}. and in fineness was four Peny Weight worse than standard.† The Value thereof in English Money is 10 *d.* and 3-5ths of a Peny. The Peice of King Philip weighed 4 dwt. $\frac{1}{4}$ grain, and was One Ounce worse than Standard‡ and in Value 11 *d.* half Peny English. They seem to be Quarter Peices of Eight of the New Species and, in the nearest Round Numbers, Five of them may be reckoned worth a Mexico or Pillar Piece of Eight."

The coins which puzzled Sir Isaac Newton were destined to play an important part in the history of the British colonial currency. They appeared at the juncture when, mainly under stress of Queen Anne's Proclamation of 1704, the West Indian Colonies were passing from a silver to a gold standard. The "piece-of-eight" was being driven from circulation, and there was great need of a silver coin larger than the *real* for ordinary internal circulation. The pistareen filled the gap. Being of base silver, it was enabled to hold its ground in concurrent circulation with gold, and thus, like the modern token shilling which it resembled, it served for internal and subsidiary circulation under cover of a gold standard.

Whilst, in connection with the dominant rating of the dollar at 5 *s.*, the pistareen had a legitimate sphere as the denominational "shilling," its importation was favoured less creditably by the facility with which it could be passed off on the unwary as an "unpillared quarter."§ In the United States these coins passed for 20 cents until 1827, when, in consequence of a Report by the United States Mint, they fell to 17 cents. In the West Indies they were driven out by British silver after 1825; and Canada, following the lead of the United States, demonetised these coins soon afterwards. The pistareen thus lost the importance which it had enjoyed in colonial currency for more than a century, and became, in fact as well as in name, a "provincial" coin, circulating in the Peninsula. Its modern representative is the Spanish peseta, equal to the franc of the Latin Union.

(3.) The Doubloon.

Like the dollar, this coin was not a unit but a multiple, as is indicated by one of its many names, "doblon de á ocho." The silver piece-of-eight was a multiple of the real, and the escudo was the correlative of the real in gold. In 1537 Da. Juana and the Emperor Charles V. enacted, that "the coronas and escudos which we have commanded, and shall command, to be struck, shall be 22 carats fine, and shall weigh 68 to the mark of gold of our kingdoms of Castille, which is the fineness and weight of the larger escudos of Italy and of those which are coined in France." The multiples of the escudo were the pistoles or double-escudo (hence "doblon"), the double pistole, and the quadruple pistole, known to us as

* This word may be connected (like peseta) with *peso*, but is not a regularly-formed diminutive. More probably it is a sort of "camp Spanish" for "little piastre," as is suggested by the form "piastereen."

† *i.e.*, 908·3 millesimal fineness.

‡ *i.e.*, 841·7 millesimal fineness.

§ *See* under Bahamas.

the doubloon. In Spain this latter coin was also known as the "onza de oro," and, after 1730, as the "peso duro de oro," from its identity in weight with the silver dollar. The weight remained unaltered from 1537 to 1848, but the fineness was reduced to 21¾ carats in 1772 and to 21 carats in 1786 (in both cases not by a public law but by a "Real órden reservada," addressed to the Casas de Moneda).

In the monetary system of Spain a gold escudo was the equivalent in value of two silver dollars, or "escudos de plata." In the words of Sir Isaac Newton, "a Spanish pistole was coined for 32 reas, or four pieces of eight reas, usually called pieces-of-eight, and is of equal allay, and the 16th part of the weight thereof. Gold is, therefore, in Spain of 16 times more value than silver of equal weight and allay. But this high price keeps their gold at home in good plenty, and carries away the Spanish silver into all Europe, so that at home they make their payments in gold, and will not pay in silver without a premium. Upon the coming in of a plate-fleet the premium ceases, or is but small, but as their silver goes away and becomes scarce, the premium encreases, and is most commonly about 6 per cent."

Gold was unimportant in the British colonies in the seventeenth century; but when, at the beginning of the next century, the West Indies adopted a gold standard, the principal gold coins they saw were Spanish pistoles and doubloons; and, with the coins, they naturally adopted the Spanish ratio, and consequently shared with Spain the experiences arising from the over-valuation of gold. It was this Spanish ratio of 16 dollars = 1 doubloon, which helped to defeat the measures taken by the Imperial Government in 1825 (*see* page 23).

As in the case of the dollar, there was a rude coinage in gold prior to 1728 known as "cob doubloons," but far more reliable in weight and fineness than "Peru pieces-of-eight." Spanish and other doubloons are regularly quoted in the weekly lists of bullion brokers, and still find a currency in Newfoundland, certain West African Colonies, Trinidad, and some other places.

(4.) The Moidore and Joannese.

In the seventeenth century the familiar Portuguese coin was the "Moidore," *i.e.*, the Lisbonine, or *double* "Moeda de Ouro" (gold money) of the Portuguese monetary system. This "Moidore" (subdivided into 10 gold cruzados) was the fifth of a dobrão, and was originally worth 4,000 reis, raised by 20 per cent. (like the rest of the series) to 4,800 in 1688. The importance of this coin was rather European than colonial. It formed practically the whole of Irish currency in the early part of the eighteenth century, and was plentiful in the West of England about 1700, until its rating was reduced from 28*s.* to 27*s.* 6*d.*, as explained by Sir Isaac Newton in 1717. But, as the moidore series of coins was not struck later than 1732, and as the "joannese" series from 1722 onwards rapidly supplanted it, the moidore was losing its importance when the West Indian colonies adopted a gold, instead of a silver standard.

Far more important in colonial currency was the Joannese, or "joe," coinage, which originated in 1722 on the basis of the *dobra* weighing a Portuguese *onça* of gold. The series was formed by dividing this coin by two down to the cruzado, or 1-32nd part of the dobra; strictly speaking, the half-dobra of 6,400 reis was the *whole* joannese, but in America and the West Indies this coin was universally known as the "half-joe." With the Spanish doubloon, the Portuguese "half-joe" dominated the metallic currency of the New World, and particularly Barbados and the Windward Islands. The popularity of the joannese, as of the moidore, in the eighteenth century, was due to their uniform goodness both in weight and in fineness. To the same cause was due the clipping and sweating of the "joe" in the West Indies (to secure concurrent circulation with the baser doubloon), whilst the good repute of Portuguese gold led to the wholesale manufacture of counterfeit joes in North America and Birmingham at the end of last century. With the revolution of 1822 in Brazil, the gold currency of Portugal rapidly lost its importance. The Brazilian mines are now in English hands, and the gold currency of Portugal consists mainly of British sovereigns.

(5.) The Barbary Ducat.

Shortly before 1700 this coin became prevalent in some of the West India Islands.

In 1699 an Act of Antigua rates the "Arabiane chequine,"* and as will be seen under the head of Leeward Islands, the same coin was still in circulation there in 1740 as a "zequeen" or "Barbary ducat." In the Bermudan Act of 1707, the same coin is mentioned as a "chicquin" of gold weighing 2 dwt. 3 gr., and is rated (with "half-pistoles") at two pieces of eight.

The "Barbary ducat" reached the West India Islands from the plantations on the mainland. Speaking of Virginia before 1708, Oldmixon says "the chief of their coins are either *gold of the stamp of Arabia*" (or Spanish money, &c.); and he gives the Virginian rating of the "Arabian chequin" as 10 *s.*, *i.e.*, double the denominational value of the piece-of-eight, as in the Leeward Islands. Perhaps the introduction of these coins of the corsairs may be traced to pirates. For, writing from the (Roman Catholic) colony of Maryland to the Board of Trade on the 5th December 1701, Mr. George Larkin tells of the escape of certain comrades of the notorious Captain Kidd with their booty into (Quaker) Pennsylvania, and complains that these escaped piratcs "have been hugg'd and caressed after a very strange manner by the Religious people of Pensylivania; *no money to be seen amongst them now but Arabian Gold.*"

In 1717 Sir Isaac Newton gave the assay of "a Barbary ducat, with Arabic letters on both sides in square tablets, without any effigies or escutcheon";† but his weight of 61¼ grains (of 818 millesimal fineness) points to a different coin to that seen in the New World. The assay in 1740 by the mint of the "Barbary ducat or chequin," gives the weight as 51 grains, like the Bermudan Act of 1707, and this weight approximates to the standard ducat or sequin weight of 53¾ grains. The low standard of these coins (875 per mille in 1740), while it favoured their introduction into the colonies about 1700, led to their being discarded later, when the gold standard had been adopted in the West Indies, and when fineness was scrutinized as keenly as gross weight. With the second half of the eighteenth century, the "Barbary ducat" passed out of colonial currency.

(6.) Coins of France.

On 31st March 1640, a "Déclaration du Roy" of Louis XIII, ordered that, in place of the (gold) écu of 23¼ carats fine, there should be struck a louis d'or of 22 carats fine. As Le Blanc points out in his *Traité Historique*, the edict gives the name of "louis d'or" to what is commonly called the *half* louis of five livres, in the same confused way in which the name "moidore" was given to the *double* "moeda de ouro."

Subordinate to the old écu in gold, was the silver quart-d'écu (11 dwts. fine), familar in England as the "cardecue."‡ With the introduction of the new louis d'or, Le Blanc states that Louis XIII "on 23rd December 1641, ordered the fabrication of a new silver coin (also 11 dwts. fine) under the name of louis d'argent or piece of 60 sols, which we commonly call *Escu Blanc.*" These coins, which were practically the first milled money of France, retained their standard of fineness up to the Revolution; but they underwent a bewildering succession of increases in their nominal value in *livres* and *sols;* and the endeavour to adjust the ratio between silver and gold to the changing relations of the two metals in outside

* The Italian name *Zecchino* is derived from the *Zecca*, or Mint of Venice, which word is derived (like the "*Sicca*" rupee) from the Arabic *Sikka* "a coining die."

† In obedience to the Qu'rán, no effigy appears on Mahommedan coins.

‡ In was in these silver coins that Charles I received in 1625 the whole of the dower (800,000 crowns) of his consort Henrietta Maria of France. They were made current for a time at 1 *s.* 7½ *d.*, but owing to counterfeits, &c., were demonetised the next year (Ruding; and Macpherson's "Annals of Commerce," II., 337).

markets, led to a like succession of alterations in their weight. It will also be observed from the tables *infra*, that the liberal "remedies" allowed at the royal mints of France considerably reduced below standard the fine content of the coins issued. The louis d'or issued after 1709, it may here be noted, was frequently called the "French guinea," its sterling value, according to Sir Isaac Newton, being a fraction over 1 *l.*

When, after the Revolution, the *gram* system of weights was introduced, the weight of the écu was reduced by about one-sixth, so as to make the new silver franc* (900 fine) equal to one gram. The necessary adjustment as regards gold coins was made in 1803, when, after eight years' cessation of gold coinage, the gold napoléon was struck as the equivalent of 20 francs. In 1866, when the Latin union was formed, silver coins below the five franc piece were reduced in millesimal fineness from 900 to 835, and converted into tokens. The "bimetallism" of France, and of the old Latin union, rests therefore exclusively on the five-franc piece; but though this coin remains unlimited legal tender, its issue is carefully watched, and like the silver dollar of the United States, it is practically an expensive subsidiary coin for internal circulation. It is because of the gold reserve (sometimes called the "War Chest") in the Bank of France, that the London quotations of five-franc pieces remained steady at about one-quarter of that of a gold 20-franc piece during 1890, in spite of fluctuations amounting to 20 per cent. in the gold-price of silver during the year. And it is because of the absence in Spain of a sufficient stock of gold to maintain the five-peseta piece at its representative value, that this Spanish five-franc piece is dropping to its intrinsic value (*see* under Gibraltar).

(7.) Coins of the United States.

The monetary model adopted by the United States in 1785† was the silver Spanish dollar with which they were familiar. But for the weight of their new coin, they took, not the full standard of Spanish dollars, but the average of coins in circulation. Hence the new dollar of the United States was made to contain only 375·64 grains of fine silver, or less by about two grains than a Spanish dollar of full weight. In 1792 Congress further reduced the fine silver in the dollar to 371·25 grains (in order to institute a ratio of 15:1 between silver and gold); and this content of fine silver (the scale of fineness having been reduced to 900 in 1837) remains in the United States silver dollar of to-day under the "Bland Act," weighing 412·5 grains gross.

Side by side with the silver dollar, which was intended to represent the familiar Spanish dollar, the Resolution of Congress of 6th July 1785 declared that there should be a gold coinage of five-dollar and ten-dollar pieces, the latter containing 246·268 grains of fine gold. In 1792, acting upon the advice of Mr. Alexander Hamilton, Secretary of the Treasury, who was strongly of "opinion that a preference ought to be given to neither of the metals for the money unit," Congress by the Act of 2nd April 1792, set aside

* In France the name *franc* had for centuries been synonymous with livre. The earliest mention of a "franc" in Le Blanc, is with reference to the year 1360, when King John struck "un Franc d'Or fin qui pesoit une drachme trebuchant. Elle fut ainsi nommée à cause qu'elle valoit un Franc ou une livre, c'est à dire 20 sols." In connection with a similar coin of Charles V in 1365, Le Blanc says "on luy donna le nom á cause que la manière de compter par livre, composée de 20 sols, doit son origine aux François." Thus in its franc of 20 sous the Revolution preserved, and acknowledged the authorship of, the scheme of the Frankish King Charlemagne in the eighth century, whereunder "12 unciæ libram 20 solidos continentem efficiunt, et duodecim denarii solidum reddunt."

† *See* American State Papers (Finance), Vol. I., p. 91 (cited at p. 352 of the Preliminary Report of the Decimal Coinage Commission, 1857); Report of the Royal Commission on International Coinage, 1868, p. 313; Fourth, Eighth, and Twenty-First Reports of the Deputy Master of the Mint; Felt's "Massachusetts Currency," 1839; Linderman's "Money and Legal Tender in the United States," 1877, &c.

the 1785 ratio of gold to silver of 1:15½, and reduced it to 1:15, by reducing the fine content of the silver dollar and by raising the (hitherto theoretical) ten-dollar piece, or Eagle, to 247·5 grains of fine gold. In 1834, by Act of Congress of 28th June, the amount of fine gold was diminished to 232 grains, the ratio of gold to silver being thus altered to 1:16002.

In 1837 a further charge was made by increasing the fine gold in the Eagle to 232·2 grains (the gross weight being 258 grains and the millesimal fineness 900), with the result that the ratio finally became 1:15988.

But, as the European ratio was 1:15·5, it was found to be impossible to retain the silver coins in circulation; and by the Act of 21st February 1853 it was provided that the silver coinage subsidiary to the dollar should be converted into a token currency by reducing its silver content from 371·25 to 345·6 gr. per dollar; that is to say, a ratio of 1:14888 (= 63·357 d. per ounce) was established for token silver. Manifestly, this latter change could not save the silver whole dollars; and so the bimetallism of 1792 passed into practical monometallism.* Indeed, at the International Monetary Conference of 1868 at Paris, it was the representative of the United States who pressed most strongly for gold as the sole standard.† Pointing to the fact that of the five millions of silver dollars coined in the seventy years ending 1867, "nearly all have disappeared from circulation," whilst the same fate had attended all of the $131,000,000 of subsidiary silver coins coined before 1853, Mr. Ruggles, the United States Delegate, "felt justified in claiming, and insisting, that the double standard now existed in the United States only in form, and not in fact." In the light of these facts, it is intelligible why in 1873 Congress omitted the silver dollar from the coins authorised to be struck in the mints of the United States. By this step the country formally adopted gold as the sole standard and measure of value. But five years later, *i.e.*, in 1878, the "Bland Act" was passed, restoring the silver dollar as a standard coin of unlimited legal tender, and prescribing, not indeed the "free coinage" of silver originally embodied in the Bill, but a limited coinage of not less than $2,000,000, and of not more than $4,000,000, every month. Of these dollars only about one in seven is in circulation, the remainder being stored in vaults to the extent on 1st November 1892 of $354,740,380, legal tender "Silver Certificates" being issued against $324,552,532 on the same date.

The legislation of 1878 was a partial return, though chiefly in form, to "bimetallism." A further step was taken in 1890 when an Act was passed requiring, not the coinage, but the purchase (under certain conditions), of silver equal to at least 4,500,000 ounces a month, against which silver certificates were to be issued‡ On 1st November 1892, the United States Treasury held silver bullion bought for $91,829,247, against which there were in circulation Legal Tender Notes to the nominal value of $114,567,423, which are redeemed in gold by the Government. In 1892 Congress rejected a Bill to prescribe the "free coinage" of silver. Like the five-franc piece of France, the silver dollar (with its paper representative) is practically an expensive token. The enormous area of the United States, and the volume of its internal transactions, enable the country legitimately to absorb a vast amount of silver (or silver-paper) currency. But the currency of the United States rests ultimately on a stock of gold adequate to meet its international obligations and to shield its silver, seeing that on 1 November 1892 the gold-price of the silver in a silver dollar was only $·665, *i.e.*, one-third under its nominal value. It only remains to be added that the United States have been the proposers of two International Monetary Conferences, one of which met at Paris in 1881, whilst the other has recently been held at Brussels; and that Canada, which enjoys the United States gold standard in conjunction with token silver, has no leanings to "bimetallism."

* As a matter of fact, after the revolutionary war, *specie* payments were suspended and not resumed until 1875.

† *See* Mr. Ruggles' Report, printed at p. 197 of the Report of the Royal Commission on International Coinage, 1868.

‡ *See* analysis of the Act in the Twenty-first Report of the Deputy Master the Mint.

(8.) Sterling.

In the reign of William the Conqueror, the (Tower) pound-weight of standard silver was coined into 20 shillings, * and thus the idea of the "pound sterling" † had direct reference to silver as the sole standard. In 1601, after many vicissitudes, the pound *weight* of standard silver was ordered by Queen Elizabeth to be struck into 62 shillings. But the "pound" by *tale*, still consisting (as at the present day) of 20 silver shillings, continued in the popular mind to refer to silver.

But though silver was regarded as the standard of value, gold was equally admitted to tender (at varying ratios); and so by law bimetallism prevailed, with the "free coinage" ‡ of gold and silver. For present purposes it will be sufficient to go back in the history of gold coinage no further than 1660, when the guinea was first struck. § This coin was originally issued as the equivalent in gold of a (silver) "pound sterling," or 20 *s.* But the resulting ratio between gold and silver rapidly denuded the country of the new guineas, and entailed a Royal Proclamation, raising the value of the guinea to 22 *s.*, and thereby establishing a ratio which gave a greater relative value to gold than that ruling in the mercantile centres of Europe, notably Amsterdam. The result was that the undervalued silver coins were clipped and sweated. Before 1696, indeed, silver was so much degraded that the guinea passed current for 28 *s.* and even 30 *s.* ‖ By the Act 7 & 8 Will. 3, c. 10, the rating of the guinea was reduced to 26 *s.*, and to 22 *s.* by the further Act 7 & 8 Will. 3, c. 19. It should be added that in the previous year the Act 6 & 7 Will. 3, c. 17, had prohibited the exchange of silver money for more than its value, and the purchase of sale of clippings. After the great re-coinage of 1696–9 "the value of the guinea," according to McCulloch, "was estimated by the public at 21 *s.* 6 *d.*, a premium of 10 *d.* in favour of the guinea. . . . . The new silver coins began to be exported . . . . The growing scarcity of silver consequent on this exportation being in the end productive of considerable inconvenience, an attempt to stop it in 1717 ¶ by reducing by Proclamation the value of the guinea from 21 *s.* 6 *d.* to 21 *s.* The guinea was still overvalued °° as compared with silver, by about 4 *d.* in the guineas, or 1¼ per cent. And, as the value of silver compared with gold continued to increase for most part of last century, it became considerably greater. Hence gold became †† . . . in practice what silver had formerly been, the sole legal tender; and during the lengthened period from 1717 down to 1816 no silver coins of the legal weight and purity would remain in circulation, but were either melted down or exported, the silver currency consisting entirely of light worn coins." Consequently, it may be concluded that from 1660 onwards gold has been the real standard of value in England, and that the Act of 1816, whereby silver coins were reduced to *tokens* subordinate to the gold sovereign, was a formal recognition of the long-standing supremacy of gold in England. Bearing in mind the co-existence of the gold standard in fact,

* The scheme of 1 libra=20 solidi=240 denarii, dates back to Charlemagne, as stated in note * on the preceding page.

† As to the origin of "sterling" (probably from Easterling mintmen), *see* p. 13 of M'Culloch's "Select Tracts on Money" (London, 1866), and Ruding's Annals of the Coinage.

‡ The actual charge for seignorage was abolished by Act of Parliament in 1666. Previously gold and silver brought to the Mint was converted into coin at a small percentage. "This Act was made perpetual by the Act 9 Geo. 3, c. 25, and its provisions in respect to gold have ever since continued in force." First Mint Report, 1871.

§ It was adopted by Charles II. at the Restoration from the "Laurel" or gold 20 *s.* piece of James I. The name is attributed to the coinage of the first guineas out of gold from Guinea.

‖ *Pari passu* the price of Spanish silver coins in London went up: "Pillar dollars go at seven shillings and a peny per ounce, and *Sevil* and *Mexico dollars* at seven shillings per ounce." Lowndes, "Essay for the amendment of the Silver Coins," (London, 1695). *See* also Locke's "Further considerations concerning, raising the Value of Money" (2nd Edition, London, 1695).

¶ In consequence of the "representations" of Sir Isaac Newton, reprinted in M'Culloch's "Select Tracts on Money."

°° "By the course of trade and exchange, between nation and nation in all Europe, fine gold is to fine silver as 14½ or 15 to 1; and a guinea at the same rate is worth between 20 *s.* 5 *d.* and 20 *s.* 8½ *d.*" (Sir Isaac Newton in 1717).

†† M'Culloch should have said "continued."

and of the silver standard in accepted theory, from the middle of the 17th century onwards, together with the concomitant lightness of the silver coins up to 1816, it will readily be understood that foreign silver coins (i.) were measured in gross, or wholesale, by their gold-price, according to intrinsic content of fine silver, and (ii.) passed by tale above their true gold price, in order to correspond with the lightness of the clipped and worn silver coins in circulation in England. This discrepancy between wholesale and retail transactions in money, between weight and tale, is at the root of most of the monetary polemics of the 17th and 18th centuries, and had a most important bearing, as will hereafter be seen, on the denominational rating of foreign silver coins in terms of sterling in the British Colonies.

The *legal* establishment of gold as the sole standard may be traced back to the Commission appointed in 1798, on an Address from the House of Commons, to consider and report upon the coins of the realms. Of this Commission the Earl of Liverpool was Chairman, and in his "Letter to the King" (not published till 1805), "the advantages of a single measure of value, and of gold as that measure,* are set forth with a force and clearness beyond all praise." Lord Liverpool's proposals (which had been anticipated in great part in 1757 by Joseph Harris of the Mint in his "Essay upon Money and Coins") inspired in 1816 a Committee of the Privy Council, which recommended that, while no change should be made in the standard of either the gold or silver coins, the former should be made the sole standard of value, and the latter converted into a token coinage by coining the pound of silver into 66 intead of 62 shillings. The original idea was to keep the guinea and impose a two-guinea limit† on the legal tender of the new token silver. But in the Act 58 Geo. III., cap 68 (which definitely declared gold coin, made according to the Indentures of the Mint, the sole standard measure of value and legal tender for payment without any limitation of amount), provision was made (Section 2) for gold coins of other denominations than the guinea, provided they were of like fineness and proportionate weight. As it was felt to be inadvisable to retain a coin which did not tally with the money of account, the guinea was abolished and the present sovereign, or 20 *s.* piece in gold, was struck and issued under the Proclamation of 1st July 1817. Also the limit of legal tender was fixed at 2 *l.* (instead of 2 *l.* 2 *s.*), this limit being chosen because it was in contemplation to make the double sovereign, or 2 *l.* piece, the monetary unit. No Proclamation has ever been issued under Section 9 of the above Act, to provide that the public may take silver to the Mint for coinage, and receive back 62 out of the 66 shillings, into which each pound troy is cut; the purchaser of subsidiary coins (and the Bank of England is the only purchaser that need be considered in connection with the United Kingdom) has to pay a gold sovereign for every twenty shillings in token silver, and the State has never recognised any obligation to redeem its tokens in gold.

In Appendix B. will be found the Coinage Act of 1870, and the amending Acts of 1889 and 1891, with the Orders and Proclamations under the two latter Acts, providing for the demonetisation in the United Kingdom of pre-Victorian gold and for the exchange of light Victorian gold at its nominal value.

It may here be noted that for silver and bronze coins there is no least current weight fixed, and that shillings, &c., of 1816 onwards remain a legal tender. The Royal Mint has, for some years, shipped silver coin to Colonial Governments free of any charge beyond payment of its nominal value, and replaces worn silver with new coin also without cost to the Colony, in accordance with the Regulations printed *infra*, page 455 (*see* Ninth Mint Report).

Proposals have from time to time been made to decimalise the British monetary standard, but the redundant florin is the only practical result. Successive Chancellors of the Exchequer have hesitated to alter either the penny or the pound.‡

* Locke in 1695, whilst declaring for a single standard, thought silver should be the standard for the future, as it had been in the past. *See* also Sir William Petty's "Quantulumcunque" (1682).

† The limit had been 25 *l.* under the Act 14 Geo. III, cap. 42.

‡ *See* Bagehot's Universal Money, and various Reports of Commissions.

SILVER COINS.

Date.	DENOMINATION.	Gross Weight.		Millesimal Fineness.	Fine Weight.		AUTHORITIES, &c.
		Grains.	Grams.		Grains.	Grams.	
	SPANISH DOLLAR.						
1497–1728	Piece of 8 Reals (67 Reals to the Castilian Mark, 11 dineros 4 granos fine).	423·9	274·7	931	394·6	25·57	Lei II. (*Heiss*, page 323).
1626	Royal of Eight, assay of Royal Mint -	420	27·21	916·6̇	385	24·95	Sir Robert Cotton's Privy Council Speech and Report.
,,	Royal of Eight, assay of Privy Council -	420	27·21	925	388·5	25·18	Sir Robert Cotton's Privy Council Speech and Report.
1702	"Piastre of Spain, or Sevil Piece of 8 Reaus, now raised to 10."	420	27·21	919	385·9	25	Newton.
1704	Seville Piece of Eight, old plate - -	420	27·21	921	386·8	25·06	Newton.
,,	Mexico - ditto - - ditto - -	420	27·21	921	386·8	25·06	Newton.
,,	Pillar - ditto - - ditto - -	420	27·21	933	392	25·39	Newton.
,,	Peru - ditto - - ditto - -	420	27·21	905 (?)	380 (?)	24·62 (?)	Newton, "or thereabouts."
1717	Seville - ditto - - ditto - -	420	27·21	921	386·8	25·06	Newton.
,,	Mexico - ditto - - ditto - -	418·5	27·11	921	385·4	24·968	Newton.
,	Pillar - ditto - - ditto - -	417	27·03	925	385·7	24·99	Newton ("Peru Piece of Eight, coarser, but of uncertain allay").
1728–1772	Dollar, or Piece of Eight (68 Reals to the Mark, 11 din. fine).	417·6	27·064	916·6̇	382·8	24·8	Auto LIX. (*Heiss*, pages 390–4.)
1765	Dollar, English assays - - - -	416·5	26·983	906	377·4	24·45	Kelly (and Noback).
1772–1848	Dollar (68 Reals to the Mark, 10 din. 20 gr. fine).	417·6	27·064	903	377	24·44	"Resumen" of 1862, page 67.

Silver Coins—*continued.*

Date	DENOMINATION.	Gross Weight.		Millesimal Fineness.	Fine Weight.		AUTHORITIES, &c.
		Grains.	Grams.		Grains.	Grams.	
	SPANISH DOLLAR—*continued.*						
1801	French assays - - - - - -	416·4	26·982	896	373	24·175	Noback.
1821	German assays - - - - - -	416·4	26·983	896	373·1	24·176	Noback.
1826	English assays - - - - - -	416	26·95	892	371	24·04	Kelly.
	SPANISH PROVINCIAL COINS.						
1642	Real of new plate (83¼ to the Mark, 11 din 4 gr. fine).	42·59	2·76	931	39·64	2·569	Auto VI. (*Heiss* I., 342). The "Resumen" and Gerhardt, followed by Noback, give 83¼ Reals to the Mark.
1686–1707	Real of new plate (84 to the Mark, 11 din. 4 gr. fine).	42·2	2·738	931	39·33	2·549	Auto XXXIV. (*Heiss* I., 382).
1707	Real (75 to the Mark, 10 din. fine) -	47·3	3·067	833·3̇	39·4	2·556	"Resumen."
,,	Provincial Peseta (or Cross Pistareen) -	94·6	6·134	833·3̇	78·9	5·112	"Resumen."
–	- ditto - of Charles the Pretender -	84	5 443	908	76	4·925	Newton.
–	- ditto - of King Philip - - -	96	6·221	842	81	5·25	Newton.
–	- ditto - of 1721 (English assays) -	88·5	5·735	812·5	71·9	4·659	Kelly.
–	- ditto - of 1770 (French assays) -	90·2	5·843	812·5	73·3	4·747	Noback.
–	- ditto - of 1759–71 (American assays)	85	5·507	826	70·2	4·549	Eckfeldt.
1772	Peseta, or Head Pistareen (38½ to the Mark, 9 din. 18 gr. fine).	92	5·975	812·5	74·9	4·855	"Resumen," and Heriz (Noback).
1775	Peseta - - - - - - - -	90	5·831	802	72·2	4 676	Kelly.

Silver Coins—*continued.*

Date.	DENOMINATION.	Gross Weight.		Millesimal Fineness.	Fine Weight.		Authorities, &c.
		Grains.	Grams.		Grains.	Grams.	
	FRENCH. (i.)						
1641–1709	Écu or Louis d'argent (8$\frac{11}{12}$ to the Paris Mark, 11 den. fine).	423·3	27·429	916·6	388	25·143	Le Blanc.
,,	Ditto, by assay - - - - - -	400·9	25·98	913	366·2	23·73	Noback.
1709–18	Écu aux trois Couronnes (8 to the Mark, 11 den. fine).	472·2	30·594	916·6	432·8	28·045	Noback, Bonneville.
1718–24	Écu or Navarra Thaler - - - - -	374·9	24·297	910	341	22·1	Noback.
1724–6	Écu aux deux L. (10$\frac{3}{8}$ to the Mark, 11 den. fine)	364	23·59	916·6	334	21·623	Noback.
,,	Ditto, by assay - - - - - -	362	23·459	906	328·1	21·26	Noback.
1726–03	Écu (8$\frac{3}{10}$ to the Mark, 11 den. fine) -	455	29·488	916·6	417	27·03	Bonneville.
,,	Ditto, by assay - - - - - -	450	29·16	896	403	26·13	Kelly.
1726–73	Écu - - - - - - - - -	440	28·51	912	401·2	26	Eckfeldt.
1774–92	Écu - - - - - - - - -	444	28·77	912	404·9	26·24	Eckfeldt.
1795	Five-Franc Piece (40 from a Kilogram) -	385·8	25	900	347·2	22·5	Bonneville. (Present Remedy, $\frac{3}{1000}$ for weight and $\frac{1}{1000}$ ($\frac{3}{1000}$ till 1866) for fineness.)
1803–1866	Franc (200 from a Kilogram) - -	77·1	5	900	69·4	4·5	
1866–1892	Franc (Token) (200 rom Kilogram) -	77·1	5	835	64·4	4·175	
	(ii.)						
1726	Colonial Dollar of 10 Livres Coloniales -	410	26·57	840	344	22·319	Bonneville (Noback).

Silver Coins—*continued.*

Date.	DENOMINATION.	Gross Weight.		Millesimal Fineness.	Fine Weight.		AUTHORITIES, &c.
		Grains.	Grams.		Grains.	Grams.	
	DUTCH.						
1659–1804	Ducatoon or Silver Ryder - - -	503	32·575	937·5	471·3	30·539	Noback.
,,	Ducatoon (Dutch assays) - - -	475·3	30·8	935	444	28·8	Noback.
–	Ducatoon (English assays) - - -	502	32·529	939·5	471·6	30·559	Kelly and Noback.
1766–1795	Ducatoon (American assays) - - -	500	32·4	938	469	30·39	Eckfeldt and Noback.
	UNITED STATES.						
1786–1892	*Dollar* - - - - - - - -	*416*	*26·956*	*903*	*375·64*	–	American State Papers (Finance), I., 91. This was not coined.
1792–1837	Dollar - - - - - - - -	416	26·956	892·4	371·25	24·056	
,,	Dollar (by assay) - - - - -	416	26·956	889·6	370	23·98	Noback (on an average).
1837	Dollar - - - - - - - -	412·5	26·729	900	371·25	24·056	Eckfeldt.
	BRITISH.						
1601–1816	Shilling (62 to the Pound Troy) - -	92·9	6·02	925	85·9	5·568	Eckfeldt says: "Almost uniform result of 930, being five-thousandths higher than standard."
,,	Crown - - - - - - - -	464·5	30·1	925	429·6	27·842	
1816	Shilling Token (66 to the Pound) - -	87·3	5·655	925	80·7	5·23	

Silver Coins—*continued.*

Date.	DENOMINATION.	Gross Weight.		Millesimal Fineness.	Fine Weight.		AUTHORITIES, &c.
		Grains.	Grams.		Grains.	Grams.	
	ANGLO-INDIAN.						
1788 (?)–1818	Madras Arcot Rupee - - - -	176·4	11·43	948·7	166·47	10·787	Court of Directors, 1806.
1811	- ditto - ditto - - - -	186·7	12·098	891·7	166·5	10·787	Noback. A coinage from Spanish Dollars.
1818–35	- ditto - ditto - - - -	180	11·664	916·6̇	165	10·691	Proclamation of 7 January 1818. Noback.
1760–80	Bombay Old or Surat Rupee - -	178·314	11·55	988	176·2	11·42	Kelly.
1800–24	- ditto - - - ditto - - -	179	11·6	920	164·74	10·671	Court of Directors, 1806.
1824–35	- ditto - - - ditto - - -	180	11·664	916·6̇	165	10·692	Noback.
1765–1793	Bengal Sicca Rupee - - - -	179·6̇	11·642	980	176	11·409	Sir James Steuart.
1793–1818	- ditto - ditto - - - -	179·6̇	11·642	979·2	175·9	11·40	Regulation XXXV. of 1793.
1818–1833	- ditto - ditto - - - -	191·916	12·441	916·6̇	176	11·405	Regulation XIV. of 1818.
1833–6	- ditto - ditto - - - -	192	12·441	916·6̇	176	11·404	Regulation VII. of 1833. Demonetised as from 1 January 1838, by Act XIII. of 1836.
1803–19	Lucknow or Furr. Sicca Rupee - -	173	11·21	955	165·2	10·706	Regulation III. of 1806.
1812–9	Benares Rupee - - - - -	175	11·34	935	168·9	10·943	Regulation II of 1812.
1819–1833	Bengal Furukhabad Rupee - - -	180·2	11·679	916·6̇	165·2	10·706	Regulation XI. of 1819.
1833–5	- ditto - - ditto - - - -	180	11·664	916·6̇	165	10·691	Regulation VII. of 1833.
1835–62	Company's Rupee - - - - -	180	11·664	916·6̇	165	10·691	Act XVII. of 1835.
1862–92	Government Rupee - - - -	180	11·664	916·6̇	165	10·691	

1862–92	Government Rupee - - - -	180	11·664	916·6̇	165	10·691

Gold Coins.

Date.	DENOMINATION.	Gross Weight.		Millesimal Fineness.	Fine Weight.		Authorities, &c.
		Grains.	Grams.		Grains.	Grams.	
	SPANISH.						
1537–1772	Escudo (68 to the Mark, 22 quilates fine)	52·2	3·383	916·6̇	47·85	3·101	*Heiss*, I.,148; "Resumen," &c.
,,	Pistole - - - - - - - -	104·4	6·766	916·6̇	95·7	6·202	
,,	Double Pistole - - - - - -	208·8	13·532	916·6̇	191·4	12·404	
,,	Quadruple Pistole, Onza de Oro, or Doubloon	417·6	27·064	916·6̇	382·8	24·808	
1772	- - ditto - - (Old Spanish Double Doubloon).	416	26·956	911·5	379·2	24·57	Newton. (Lesser coins of like fineness and proportionate weight.)
1740–67	- - ditto, French and English assays -	416·3	26·982	909	378·5	24·526	Noback. (For American coins between 1733 and 1744 the "fineness varies from 893 to 898;" Eckfeldt). The Royal Mint in 1740 found fineness to vary from 910 to 920.
"Before 1772."	- - ditto - - - - - - -	416·5	26·988	901	375·3	24·316	Kelly.
1772–86	Escudo (21 quilates 2½ granos fine) -	52·2	3·383	901	47	3·048	"Resumen."
,,	Doubloon - - - - - - -	417·6	27·064	901	376·2	24·385	
,,	ditto, by assay - - - - -	416·5	26·988	893	372	24·1	Kelly.
,,	ditto - ditto - - - - -	416	26·956	893	371·5	24·07	Eckfeldt: "Fineness varies from 895 to 883, the oldest pieces being the best."
1786–1848	Doubloon (21 quilates fine) - - -	417·6	27·064	875	365·4	23·681	"Resumen."
1786–8	ditto, by assay - - - - -	416	26·956	870	361·9	23·451	Eckfeldt.
1801	ditto - ditto - - - - -	417	27·021	865	360·7	23·373	Kelly.
1811–21	ditto - ditto - - - - -	416·5	26·988	868	361·5	23·425	Eckfeldt.

Gold Coins—*continued.*

Date.	DENOMINATION.	Gross Weight.		Millesimal Fineness.	Fine Weight.		AUTHORITIES, &c.
		Grains.	Grams.		Grains.	Grams.	
	PORTUGUESE.						
1640 (?)–1732	Dobrão - - - - - - - - -	830	53·789	916·6	760·8	49·307	Noback.
- „	Doppia Moeda de Ouro, or Lisbonine -	166	10·758	916·6	152·16	9·861	Noback.
„	Moeda de Ouro - - - - - -	83	5·379	916·6	76	4·93	Noback.
1702	Moeda of Portugal (*i.e.*, the Doppia) -	165	10·69	914	150·8	9·77	Newton.
1717	"Doppia Moeda, or Double Moeda of Portugal new coined."	166	10·76	914	151·7	9·83	Newton.
„	"Doppia Moeda, as they come into England."	165·75	10·74	914	151·5	9·817	Newton.
1722-1835	Dobra of 12,800 Reis, Onça de Ouro -	442·6	28·687	916·6	405·8	26·297	Noback and Kelly. No assays are given, as Portuguese gold in the 17th and 18th centuries was as nearly as possible of legal standard.
„	Half-dobra, Peça, João, or Joannese of 6,400 Reis.	221·3	14·344	916·6	202·9	13·148	
„	Quarter-dobra of 3,200 Reis - - -	110·6	7·172	916·6	101·4	6·574	
„	Escudo of 1,600 Reis - - - -	55·3	3·586	916·6	50·7	3·287	
„	Half-escudo of 800 Reis - - -	27·6	1·793	916·6	25·3	1·643	
„	Cruzados velhos in Ouro - - -	13·8	·896	916·6	12·6	·822	

„	Cruzados velhos in Ouro - - -	13·8	·896	916·6̇	12·6	·822

Gold Coins—*continued.*

Date.	DENOMINATION.	Gross Weight.		Millesimal Fineness.	Fine Weight.		Authorities, &c.
		Grains.	Grams.		Grains.	Grams.	
	FRENCH.						
1640–1709	Louis d'Or (36¼ to the Paris Mark, 22 carats fine).	104·2	6·752	916·6̇	95·5	6·189	Le Blanc.
„	Louis d'Or, by assay - - - - -	102·8	6·662	904	92·9	6·02	Noback.
1702 & 1717	Louis d'Or, ditto - - - - -	104	6·738	911·5	94·8	6·14	Newton.
1700–15	Louis d'Or (Louis au Soleil) (30 to Mark)	125·9	8·158	916·6̇	115·4	7·478	Bonneville.
„	Louis d'Or, by assay - - - - -	124·4	8·064	903	112·3	7·28	Noback.
1717	Louis d'Or ('the new Louis d'Or') -	125·4	8·12	901	113·0	7·323	Newton.
1740	Louis d'Or - - - - - - -	125	8·10	906	113·6	7·36	Royal Mint Assay.
1718–23	Louis d'Or (Louis à la Croix de Malte), and the Jl L Louis) (25 to Mark).	151·1	9·79	916·6̇	138·5	8·97	Noback.
–	Ditto, by assay - - - - - -	149·6	9·693	899	134·5	8·715	Noback.
1740	Louis d'Or (Louis de Malt) - - -	150	9·719	900	135·0	8·747	Royal Mint.
1723–6	Louis d'Or (Mirliton) (37¼ to Mark) -	100·7	6·527	916·6̇	92·3	5·983	Conneville.
–	Ditto, by assay - - - - - -	99·5	6·45	899	89·4	5·8	Noback.
1740	Louis d'Or ('Lewis of 1725; French call'd Mirliton').	100	6·48	901	90·1	5·84	Royal Mint Assay.

Gold Coins—*continued.*

Date.	DENOMINATION.	Gross Weight.		Millesimal Fineness.	Fine Weight.		AUTHORITIES, &c.
		Grains.	Grams.		Grains.	Grams.	
	FRENCH—*continued.*						
1726–85	Louis d'Or (30 to the mark)	125·9	8·158	916·6	115·4	7·478	Bonneville.
1740	Ditto, by assay	126·0	8·165	898·5	113·1	7·329	Royal Mint, 1740.
–	Ditto - ditto	124·4	8·064	903	112·3	7·28	Noback.
1785–94	New Louis d'Or (Louis à deux écussons carrés 32 to the mark).	118	7·648	916·6	108·2	7·011	Bonneville.
–	Ditto, by assay	118	7·648	901	106·3	6·89	Kelly.
–	Ditto - ditto	116·5	7·549	900	104·8	6·794	Eckfeldt. "The Assay of gold coins is very regular, varying seldom more than 898½ to 899¼."
1803	Napoléon or 26-Franc piece (155 to the kilogram).	99·6	6·452	900	89·6	5·806	
	UNITED STATES.						
1785–1792	Eagle	–	–	–	246·268	–	Amer. State Papers (Finance) I. 91. This was not actually coined.
1792–1834	Ditto (first type)	270	17·495	916·6	247·5	16·037	Eckfeldt, &c.
1820	Ditto, by assay	270	17·495	911·5	246	15·94	Kelly, "Average Assays of the Coins of Twelve Years."
1834–7	Ditto (second type)	258	16·718	899·2	232	15·033	Eckfeldt, &c.
1837	Ditto (third and last type)	258	16·718	900	232·2	15·046	Eckfeldt, &c.
1835–40	Ditto, by assay	256·6	16·629	896	229·8	14·89	Noback.

1835–40	Ditto, by assay - - - - -	256·6	16·629	896	229·8	14·89	Noback.

Gold Coins—*continued.*

Date.	DENOMINATION.	Gross Weight.		Millesimal Fineness.	Fine Weight.		Authorities, &c.
		Grains.	Grams.		Grains.	Grams.	
	ANGLO-INDIAN:						
	(i) The Mohur.						
1760–9	Calcutta Mohur of 14 Sicca Rupees -	179·6̇	11·64	833·3̇	149·72	9·701	Sir James Steuart "Principles of Money applied to Bengals," 1772.
1769–93	Calcutta Mohur of 16 Sicca Rupees -	190·773	12·36	996·4	190·086	12·317	- - ditto.
1793–1818	Calcutta Mohur of 16 Sicca Rupees (19th Sun).	190·894	12·37	995·7	190·1	12·318	Regulation XXXV. of 1793.
1818–33	Calcutta Mohur of 16 Sicca Rupees - -	204·7	13·265	916·6̇	187·6	12·159	Regulation XIV. of 1818.
1774	Bombay Mohur (old) - - - - -	178·314	11·553	953·1	170	11·014	Kelly.
1800–33	Bombay Mohur of 15 Bombay Rupees -	179	11·599	920	164·7	10·671	Kelly and Eckfeldt.
1818–35	Madras Mohur of 15 Madras Rupees -	180	11·664	916·6̇	165	10·691	Kelly.
1835–1862	Company's Mohur of 15 Company's Rupees.	180	11·664	916·6̇	165	10·691	Act XVII. of 1835.

Gold Coins—*continued.*

Date.	DENOMINATION.	Gross Weight.		Millesimal Fineness.	Fine Weight.		AUTHORITIES, &c.
		Grains.	Grams.		Grains.	Grams.	
	ANGLO-INDIAN—*continued.*						
1862-92	Government Mohur or 15-Rupee piece -	180	11·664	916·6̇	165	10·691	
1868	Ditto, by American assay - - -	179·5	11·633	916	164·4	10·656	Noback.
	(ii) THE PAGODA:						
1818	Star Pagoda of Madras - - - - -	–	–	–	42·048	–	Court of Directors in 1806.
1820	Ditto, by assay - - - - - -	52·75	3·418	792	41·8	2·709	Kelly.
	GREAT BRITAIN:						
1660-1816	Guinea (44½ to troy pound) - - -	129·4	8·386	916·6	1186	7·686	
1813	„ (American assay) - - -	128·3	8·314	915·5	117·4	7·611	Noback.
1816-1892	Sovereign (21 weighing 20 guineas; or 46·725 to pound),	123·27	7·988	916·6̇	113	7·322	
1838-9	Ditto, by assay - - - - - -	123·3	7·989	915·5	112·9	7·316	Eckfeldt. "Remarkably uniform in fineness, but below the legal standard, about one-thousandth."

APPENDIX B.

APPENDIX B.

IMPERIAL LEGISLATION, &c.

(i.) AN ACT for Ascertaining the Rates of Foreign Coins in Her Majesties Plantations in *America*. (6 Anne, cap. 57, 1707.)*

WHEREAS for Remedying the Inconveniencies which had arisen from the different Rates at which the same Species of Foreign Silver Coins did Pass in Her Majesties several Colonies and Plantations in America, Her most Excellent Majesty has thought fit by Her Royal Proclamation, bearing Date the Eighteenth Day of June, One thousand seven hundred and four, and in the Third Year of Her Reign, to Settle and Ascertain the Currency of Foreign Coins in Her said Colonies and Plantations, in the manner and words following:

"We having had under Our Consideration the different Rates at which the same Species of Foreign Coins do Pass in Our several Colonies and Plantations in America, and the Inconveniencies thereof, by the indirect Practice of Drawing the Money from one Plantation to another, to the great Prejudice of the Trade of Our Subjects; And being Sensible, That the same cannot be otherwise Remedied, than by Reducing of all Foreign Coins to the same Current Rate within all Our Dominions in America; And the Principal Officers of Our Mint having laid before Us a Table of the Value of the several Foreign Coins which usually Pass in Payments in Our said Plantations, according to their Weight, and the Assays made of them in Our Mint, thereby shewing the just Proportion which each Coin ought to have to the other, which is as followeth, viz. Sevill Pieces of Eight, Old Plate, Seventeen Peny-weight Twelve Grains, Four Shillings and Six Pence; Sevill Pieces of Eight, New Plate, Fourteen Peny-weight, Three Shillings Seven Pence One Farthing; Mexico Pieces of Eight, Seventeen Penny-weight Twelve Grains, Four Shillings and Six Pence; Pillar Pieces of Eight, Seventeen Peny-weight Twelve Grains, Four Shillings and Six Pence Three Farthings; Peru Pieces of Eight, Old Plate, Seventeen Peny-weight Twelve Grains, Four Shillings and Five Pence, or thereabouts; Cross Dollars, Eighteen Peny-weight, Four Shillings and Four Pence Three Farthings; Ducatoons of Flanders, Twenty Peny-weight and Twenty-one Grains, Five Shillings and Six Pence; Ecu's of France, or Silver Lewis, Seventeen Peny-weight Twelve Grains, Four Shillings and Six Pence; Crusadoes of Portugal, Eleven Peny-weight Four Grains, Two Shillings and Ten Pence One Farthing; Three Gilder Pieces of Holland, Twenty Peny-weight and Seven Grains, Five Shillings and Two Pence One Farthing; Old Rix Dollars of the Empire, Eighteen Peny-weight and Ten Grains, Four Shillings and Six Pence; The Halfs, Quarters and other parts in Proportion to their Denominations, and Light Pieces in Proportion to their Weight: We have therefore thought fit for Remedying the said Inconveniencies, by the Advice of Our Council, to Publish and Declare, That from and after the First Day of January next ensuing the Date hereof, no Sevill, Pillar, or Mexico Pieces of Eight, though of the full Weight of Seventeen Peny-weight and an half, shall be Accounted, Received, Taken, or Paid within any of Our said Colonies or Plantations, as well those under Proprietors and Charters, as under Our immediate Commission and Government, at above the Rate of Six Shillings per Piece Current Money, for the Discharge of any Contracts or Bargains to be made after the said

* Cap. 30 in Ruffhead.

First Day of January next, the Halfs, Quarters, and other lesser Pieces of the same Coins to be Accounted, Received, Taken, or Paid in the same Proportion: And the Currency of all Pieces of Eight of Peru, Dollars, and other Foreign Species of Silver Coins, whether of the same or Baser Alloy, shall, after the said First Day of January next, stand Regulated, according to their Weight and Fineness, according and in Proportion to the Rate before Limited and Set for the Pieces of Eight of Sevill, Pillar, and Mexico; So that no Foreign Silver Coin of any sort be permitted to Exceed the same Proportion upon any Account whatsoever. And We do hereby Require and Command all Our Governors, Lieutenant-Governors, Magistrates, Officers, and all other Our good Subjects, within Our said Colonies and Plantations, to Observe and Obey Our Directions herein, as they Tender Our Displeasure."

And whereas notwithstanding the said Proclamation, the same indirect Practices as are therein mentioned, are still Carried on within some of the said Colonies or Plantations, and the Money thereby drawn from one Plantation to another, in Prejudice of the Trade of Her Majesties Subjects; Wherefore for the better Inforcing the due Execution of Her Majesties said Proclamation throughout all the said Colonies and Plantations, and for the more effectual Remedying the said Inconveniencies thereby intended to be Remedied, Be it Enacted by the Queens most Excellent Majesty, by and with the Advice and Consent of the Lords Spiritual and Temporal, and Commons in this present Parliament Assembled, and by the Authority of the same, That if any Person within any of the said Colonies or Plantations, as well those under Proprietors and Charters, as under Her Majesties immediate Commission and Government, shall, after the First Day of May, which shall be in the Year of our Lord, One thousand seven hundred and nine, for the Discharge of any Contracts or Bargains to be thereafter made, Account, Receive, Take or Pay any of the several Species of Foreign Silver Coins mentioned in the before-recited Proclamation, at any greater or higher Rate than at which the same is thereby Regulated, Settled and Allowed, to be Accounted, Received, Taken or Paid, every such Person so Accounting, Receiving, Taking or Paying the same contrary to the Directions therein contained, shall suffer Six Months Imprisonment, without Bail or Mainprize; Any Law, Custom or Usage in any of the said Colonies or Plantations to the contrary hereof in any wise notwithstanding; And shall likewise Forfeit the Sum of Ten Pounds for every such Offence, One Moiety thereof to Her Majesty, Her Heirs and Successors, the other Moiety to such Person or Persons as shall Sue for the same, to be Recovered with full Costs of Suit, by Action of Debt, Bill, Plaint or Information, in any of Her Majesties Courts of Justice within any of the said Plantations, or in any of the Courts of Justice of the Charter or Proprietary Governments where such Offence shall be committed.

Provided nevertheless, and it is hereby Declared, That nothing in the before-recited Proclamation, or in this Act Contained shall Extend, or be Construed to Compel any Person to Receive any of the said Species of Foreign Silver Coins, at the respective Rates in the said Proclamation mentioned.

Provided also, and it is hereby further Declared, That nothing in this Act Contained shall Extend, or be Construed to Restrain Her Majesty from Regulating, and Settling the several Rates of the said Species of Foreign Silver Coins within any of the said Colonies or Plantations, in such other Manner, and according to such other Rates and Proportions as Her Majesty by Her Royal Proclamation for that purpose to be Issued, shall from time to time judge proper and necessary, or from giving Her Royal Assent to any Law hereafter to be made in any of the said Colonies or Plantations, for settling and Ascertaining the Current Rates of such Coins within the said Colonies or Plantations; But that such further Regulations may be made, and such Assent given, in as full and ample manner, to all intents and purposes, as the same might have been done in Case this Act had not been made, and not otherwise; Any thing herein before contained to the contrary hereof in any wise notwithstanding.

(ii.) IMPERIAL ACT 13 GEO. III. c. 57 (1773).*

WHEREAS by an Act, passed in the Fourth Year of His present Majesty's Reign, (intituled, An Act to prevent Paper Bills of Credit, hereafter to be issued in any of His Majesty's Colonies or Plantations in America, from being declared to be a legal Tender in Payments of Money, and to prevent the legal Tender of such Bills as are now subsisting from being prolonged beyond the Periods limited for calling in and sinking the same), it is enacted, That from and after the First Day of September, One thousand seven hundred and sixty-four, no Act, Order, Resolution, or Vote of Assembly, in any of His Majesty's Colonies or Plantations in America, shall be made for creating or issuing any Paper Bills, or Bills of Credit, of any Kind or Denomination whatsoever, declaring such Paper Bills or Bills of Credit to be legal Tender in Payments of any Bargains, Contracts, Debts, Dues, or Demands whatsoever; and that every Clause and Provision which should thereafter be inserted in any Act, Order, Resolution, or Vote of Assembly, contrary to the said Act, shall be null and void: And whereas the Want of Gold and Silver Currency in several of His Majesty's Colonies and Plantations in America may make it necessary, as well for the publick Advantage as in Justice to those Persons who may have Demands upon the publick Treasuries in the said Colonies for Services performed, that such publick Creditors should be secured in the Payment of their just Debts and Demands, by Certificates, Notes, Bills, or Debentures, to be created and issued by the Authority of the General Assemblies within the said Colonies, on the Securities of any Taxes or Duties given and granted to His Majesty by the said General Assemblies, for and towards defraying Expences incurred for publick Services; and that such Certificates, Notes, Bills, or Debentures, should be made chargeable on the publick Treasurers of the said Colonies, and received and taken by them as a legal Tender in Discharge of any such Duties or Taxes, or of any Debts whatsoever, due to the publick Treasuries of the said Colonies, in virtue of Laws passed in the said Colonies: And whereas Doubts have arisen, whether, under the said recited Statute, such Provision as aforesaid can lawfully be made; may it therefore please Your most Excellent Majesty that it may be enacted; and be it enacted by the King's most Excellent Majesty, by and with the Advice and Consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the Authority of the same, That, from and after the First Day of September, One thousand seven hundred and seventy-three, any Certificates, Notes, Bills, or Debentures, which shall or may be voluntarily accepted by the Creditors of the Publick within any of the Colonies in America, as a Security for the Payment of what is due and owing to the said publick Creditors, may be made and enacted by the several General Assemblies of the said Colonies respectively to be a legal Tender to the publick Treasurers in the said Colonies, for the Discharge of any Duties, Taxes, or other Debts whatsoever, due to, and payable at, or in the said publick Treasuries of the said Colonies, in virtue of Laws passed within the same, and in no other case whatsoever; any Thing in the aforesaid recited Statute in the Fourth Year of His present Majesty to the Contrary thereof in any-wise notwithstanding.

Provided always, That nothing in this Act shall extend to, alter, or repeal an Act, passed in the Twenty-fourth year of the Reign of His late Majesty King George the Second, (intituled, An Act to regulate and restrain Paper Bills of Credit in His Majesty's Colonies or Plantations of Rhode Island and Providence Plantations, Connecticut, The Massachusets Bay, and New Hampshire, in America, and to prevent the same being legal Tenders in Payments of Money).

* This Act was repealed, as to the whole of Her Majesty's Dominions, upon the passing of the Coinage Act of 1870.

(iii.) 38 Geo. III., Cap. LXVII.

An Act to prevent the Exportation of Base Coin to His Majesty's Colonies in the West Indies and America (21 June 1798).

Whereas Various Base Copper Coins made to the Resemblance and Similitude of the Foreign Copper Coins, called *Tempes*, and *Sous Marques*, have been exported from this Kingdom to the Island of Martinique in the West Indies, under the Denomination of Wrought Copper: & whereas Base Coins made to the Similitude and Resemblance of the Foreign Gold and Silver Coins, called *Johannes* and *Dollars*, have been circulated in His Majesty's Islands in the West Indies, & in other His Majesty's Colonies in America, to the great Injury of the Inhabitants of the said Islands and Colonies: For preventing the like and similar Evils in future, be it enacted, &c., That all Copper Coin whatsoever, not being the legal Copper Coin of this Kingdom, and all Counterfeit Gold or Silver Coin made to the Similitude or Resemblance, or intended to resemble, any Gold or Silver Coin, either of this Kingdom or of any other Country, which shall, under any Pretence, Name, or Description whatsoever, be exported . . . . . from this Kingdom to the said Island of Martinique, or any of His Majesty's Islands or Colonies in the West Indies or America, shall be forfeited, &c.

II. And be it further enacted, That every Person who shall so export, or shall so ship, lay, or put on board any Ship, Vessel, or Boat, in order to be so exported, or shall cause or procure to be so exported, shipped, or put on board any Ship, Vessel, or Boat, or shall have in his or her custody, in order to be so exported, any such Coin, as aforesaid, shall, for every such Offence, forfeit the Sum of Two hundred Pounds, & double the Value of such Coin, to be recovered by Bill, Suit, Action, or Information, in any of His Majesty's Courts of Record at Westminster.

(iv.) Treasury Minute, dated 11th February 1825.

My Lords have under their consideration the State of the Currencies in the several British Colonies and Possessions abroad, as they affect the expenditure for the Public Service, both military and civil.

They consider it as being highly expedient that they should avail themselves of the present period of peace, and of the means which appear to be now at their disposal, for introducing a fixed and uniform medium of exchange for all transactions connected with the public service, in the place of the various, fluctuating, and anomalous currencies which have been created under the pressure of temporary emergency, or with views of local and peculiar expediency, in many of these Colonies and Possessions during the war, and which have been productive of much private and public inconvenience.

In these Colonies the Spanish dollar has generally been the prevalent current coin, and the standard by which the value of other currencies, whether metallic or paper, has been determined.

This coin has been the medium of payment to the troops on Foreign Stations generally; but the rate in sterling money at which it has been issued to the Army has not been the same at all of those stations, nor has that rate in any case been fixed in conformity with the intrinsic value of the coin.

In the West Indies, in America, on the Western Coast of Africa, at the Cape of Good Hope, at the Mauritius, and at New South Wales, it has been reckoned in payment to the Army at 4*s.* 8*d.*; while at Gibraltar and in the Mediterranean it has been issued at 4*s.* 6*d.*

At some of these places payments are made to the forces in other coins than Spanish dollars; but in those cases the value of such coins has been regulated by the Spanish dollar, assuming the value of the latter at the Army-rate fixed for each station.

These established rates are of long standing, and many of them founded upon authorities, of the origin of which there are no distinct records in this office.

The intrinsic value of the Spanish dollar, as compared with British standard silver, at the Mint price of 5*s.* 2*d.* the ounce, is about 4*s.* 3·79*d.*, or something less than 4*s.* 4*d.*; and at the market prices of silver, which have prevailed for some time past, it is scarcely above 4*s.*

It appears, therefore, that the prices at which dollars are now issued to the British troops abroad are considerably higher than the real value of the coin, or its value in British money at the Mint price of silver; and the Army would have cause to complain if they had not antecedently, during a great length of time, enjoyed the advantage of receiving that coin at a rate much below the value into which it was convertible in British currency through the medium of the exchanges.

Remonstrances have, however, proceeded from several of the Foreign Stations, on behalf of the Army, on account of the rates at which the dollar is now issued; and although the change by which a more correct issue of the pay of the troops abroad must be introduced, will unavoidably be attended with a considerable increase of expense, my Lords deem it just and necessary to adopt measures for that purpose.

They must at the same time observe, that by the regulations adopted for the pay of the regimental officers, that valuable class of the public servants, who would otherwise be the most seriously affected by the disadvantages of this Army rate of exchange, are wholly freed from its inconveniences, as they have for many years past enjoyed the option of receiving their pay either from the Military Chest, at the station where they are serving, or through their agents in England; by which means they have the full benefit of the state of the exchange when it is more favourable than the Army rate, and the advantage of the Army rate when it is less so. The inconvenience has, therefore, since that regulation, been confined to the officers on the staff, and some others who, as well as the private men, receive their pay from the military chest alone, and who are in some degree indemnified by the mode in which those supplies in kind are procured for them, which, to a certain extent, are defrayed by stoppages from their pay.

In considering this subject, with a view to the introduction of a better mode of paying the Army abroad, my Lords advert to the circumstances which affect the supply of the Spanish dollar at the present time. Some difficulties in procuring it in sufficient quantities are occasioned by the diminished produce of the mines; while, on the other hand, the established character of that coin, on account of its formerly well-known uniformity of weight and fineness, has been materially affected by diversities lately introduced in the coinage in America, whereby it has been rendered less fit for the payments which are now under consideration.

Under these circumstances, it appears to my Lords that the fittest medium for the payment of the forces, and the best standard of circulation for the British colonies and [illegible]ions where these anomalies have hitherto prevailed, will be the s[illegible] copper currencies now in circulation in this country, provide[illegible]e be made convertible, at the will of the holder, into the [illegible]gold currency of the United Kingdom, by means of bills of [illegible]ge, to be given at a rate to be fixed for each station by the office[illegible] charge of the military chest, or some other public authority.

Owing to the rate at which silver is by the Act, 56 Geo. 3, c. 68, converted into coin at the Mint (which is considerably above its general market value, as well as its former Mint price,) this currency would not be liable to be withdrawn by private speculation, from the colonies; while, on the other hand, its ready convertibility, by the means above mentioned, into that money which is the legal tender for large payments in this country, would secure its circulation at the same value in the colonies.

As there would exist no inducement to export a currency of this description to foreign countries, so, on the other hand, if the rate at which bills would be obtainable for it upon England, be fixed in such manner as to be about equal to the expense and risk of bringing it to England, the danger of any inconvenience from its re-importation into this country, would in like manner be avoided.

This rate my Lords conceive to be about 3 per cent. from almost all of

the stations to which these measures would be applicable; and they would therefore direct, in the first instance generally, that the officer in charge of the commissariat should give a bill for 100 *l.* on this Board for every 103 *l.* in British silver currency; such rate being subject to future regulation in any case in which it may, on experience, be found to be too high, or too low, for the purpose which it is intended to secure.

Upon these grounds, therefore, my Lords will direct supplies of silver coin to be prepared for remittance to the several stations abroad, so as to furnish a sufficiency for the probable wants of each as speedily as possible. They desire that the agent for commissariat supplies will take the necessary steps for that purpose.

But as the substitution of this currency for the Spanish dollar, even in the payments from the military chest to the troops, can only be gradually effected, and as it may, in many cases, be still expedient to employ that coin as a medium of payment, at a fixed rate as compared with British currency, my Lords are of opinion that it should (when necessary) be issued at the rate of 4 *s.* 4 *d.* the dollar, being a fraction of a farthing only above its intrinsic value at the rate of 5 *s.* 2 *d.* the ounce of standard silver; and also, that all other coins in use in the colonies should, if used under any special expediency for making payments from the military chest, be issued at the same rate, as nearly as may be, with reference to their intrinsic value as compared with that of the Spanish dollar.

Their Lordships desire that letters be written to the commanders of the forces, and to the officers in charge of the commissariat, on each station abroad, conveying to them the necessary instructions for carrying this measure into execution, and directing that the rate at which the Spanish dollar and other coins are hereafter to be issued for the pay of the troops be adopted from the 24th of the month next succeeding the receipt of the instructions.

Let the attention of the Commanders of the Forces be called to the rates at which certain allowances in money are made within their respective commands for forage, lodging, &c., &c., which, having been fixed in British money with reference both to the expense of the articles, and to the value of the currency in which the payments were made, will require a revision upon the introduction of the changes hereby directed. They desire therefore, that boards may be appointed at each station for inquiring into the subject of these allowances, and for reporting what alterations should be made in their nominal sterling rates, so as to keep the real amount of them at least as low as they are at present, for which purpose the reduction must in all cases be equal to the difference between the present Army-rate of the dollar and the proposed new rate of 4 *s.* 4 *d.* for that coin.

Let the officer in charge of the commissariat be also instructed that all unliquidated engagements with contractors or other persons are to be completed according to the terms of those engagements; but that in all future contracts the commissariat should reserve to itself the option of paying the contractor either in British silver or in bills upon this board, at the rate above stated of 100 *l.* in such bills for every 103 *l.* in money: And, further, my Lords desire that the commissaries be directed not to grant bills on any occasion for British money at any other rate.

If at any time there should not be a sufficiency of British silver at the disposal of any commissary, for carrying on the service at his station, he is then to advertise for Spanish dollars or other coins, by public competition, for his bills on this board, and is to accept the lowest tender; the dollars or coins so purchased to be issued invariably to the troops at the rate of 4 *s.* 4 *d.* for the Spanish dollar, and at proportionate rates for other coins, according to their intrinsic values as compared with the Spanish dollar valued at that rate.

Let copies of this Minute be transmitted to the Commander-in-Chief of the Forces, and to the Comptrollers of Army Accounts, for their information; and also to the Master-General and Board of Ordnance, and to the Lords of the Admiralty; in order that the former may give instructions for the issue of pay to the officers and men of the several establishments under their orders abroad, in conformity with these regulations; and that the latter may give similar directions, through the pay-

master of the Marines, with respect to the detachment stationed at Bermuda; to whom it appears that their pay is now issued in dollars at the rate of 4/5½ sterling per dollar. My Lords presume that the Board of Admiralty will think it right to put that detachment upon the same footing hereafter as the troops of the line, with respect to the issue of their pay, and the stoppages to be made from it.

Transmit copy of this Minute also to Mr. Wilmot Horton, for the information of Lord Bathurst; and request he will move his Lordship to cause the necessary communications of the measures hereby directed to be made to the Governors of the several colonies, together with such instructions as may appear to his Lordship to be proper for ensuring a due attention on the part of those Governors to the execution of them. Desire also that he will move Lord Bathurst to point out to the Governors of Nova Scotia and Demerara the expediency of taking some measures for the gradual reduction of the paper circulation, issued for colonial purposes and under colonial authority in those colonies, and of making it exchangeable, until it be finally reduced to that which it purports to represent.

With respect to the currencies which now constitute the chief circulating medium at New South Wales, Sierra Leone, the Mauritius, Ceylon, and the Cape of Good Hope, some more special directions appear to be necessary, in order to the introduction of the measures which are the subject of this Minute into those colonies.

NEW SOUTH WALES.

The accounts are kept in the British denomination of money, namely, pounds, shillings, and pence, but there are few, if any, British coins circulating. The Spanish dollar being the next ordinary and common medium of exchange, and which passes at various values with reference to the pound sterling, according to the transaction to which it is applied. The Spanish dollar in private transactions of trade and commerce, is rated at - - - - - - - - - - - - - - 5 *s.*

In payment to the troops - - - - - - 4 *s.* 8 *d.*
In payment of salaries to civil servants - - 4 *s.*
In payment by the Government for supplies - - 5 *s.*
In payment to the Government, for duties, at the average rate of exchange.

This state of things appears to my Lords to be highly objectionable; and they are of opinion that it would be expedient to provide that all debts which may be contracted, and all engagements which may be made, after a day to be named, for the payment of money in the Colony, should be discharged either in British silver money, or in Spanish dollars at 4 *s.* 4 *d.* each, at the will of the debtor; and that the Spanish dollar should also be issued and paid, in all Government transactions, at the same rate.

That all engagements contracted previously to the day to be so named, either by the Government or by individuals, shall be respectively discharged and liquidated by the payment of 17 *s.* 4 *d.* in the pound for the nominal amount of the debt, either in British silver money or in dollars computed at 4 *s.* 4 *d.* each; by which a debt already contracted will be discharged by the same number of dollars as at present.* If at any time it should be absolutely necessary to introduce into circulation any other description of coin than British or Spanish dollars and their proportions, the value at which it should be taken should be accurately fixed with reference to the quantity of fine silver contained therein, as compared to the quantity contained in British standard silver at 5 *s.* 2 *d.* per ounce, or in Spanish dollars at 4 *s.* 4 *d.* each, a statement† of which, with respect to several of the coins, my Lords have caused to be extracted from the tables of assay recently made at the Mints, both of London and Paris, and which have been found to verify each other.

* Debt of 100 *l.* discharged by 400 dollars at 5 *s.* each. Debt of 100 *l.* to be paid at 17 *s.* 4 *d.* in the pound, would amount to 86 *l.* 13 *s.* 4 *d.* and which debt would require 400 dollars for its discharge, computed at 4 *s.* 4 *d.* each.

† This statement has been printed *infra*, after this Minute.

Sierra Leone.

The accounts are kept, as at New South Wales, in the British denominations of money, and the dollar is in all transactions of commerce taken at 5*s.* each, and is issued to the troops at 4*s.* 8*d.* My Lords are therefore of opinion that it would be expedient to provide that all debts which may be contracted, and all engagements which may be made after a day to be named, for the payment of money, should be discharged either in British silver money, or in Spanish dollars at 4*s.* 4*d.* each, at the will of the debtor: and the latter coin should after that day be issued and received in all Government payments on account of Government, at the same rate of 4*s.* 4*d.* each. But it should be provided, that all engagements already contracted, either by the Government or by individuals, should be respectively discharged and liquidated by the payment of 17*s.* 4*d.* in the pound for the nominal amount of the debt, either in British silver money, or dollars computed at 4*s.* 4*d.* each, by which the debt already contracted will be discharged by the same number of dollars as at present.

Mauritius.

The currency has chiefly been Spanish dollars, and paper dollars supposed to be of the same value as Spanish dollars; but these paper dollars have been at various times considerably depreciated. Instructions, however, have recently been transmitted to the Mauritius, which provide, if not for the immediate liquidation of the whole of the paper dollars, at least for raising their value to that of the Spanish dollar, and for their gradual reduction. It may, therefore, be stated that the general circulation is Spanish dollars and various coins of India; and when the dollar is quoted with reference to British money it is called equal to 5*s.* The various coins of India are valued in circulation with reference to the Spanish dollar at that rate.

The Spanish dollars (and other coins in proportion) are issued to the troops at 4*s.* 8*d.*, and to the civil servants at the same rate.

My Lords are of opinion that currency should be given to the British silver coin, and that any debt in dollars should be considered as discharged by a payment in Spanish dollars, or in British money at the rate of 4*s.* 4*d.* British money for each dollar; and that in all cases where it may be necessary to issue Spanish dollars to civil or military servants, for salaries or otherwise, they should be issued at the rate of 4*s.* 4*d.* each; and that all other silver coins usually circulating at the Mauritius, should be issued at a fixed value, with reference to their intrinsic value as compared with British standard silver, at 5*s.* 2*d.* per oz. troy, or with Spanish dollars at 4*s.* 8*d.* each. It further appears to my Lords that it would be expedient to form tariffs of the duties now payable to the Crown in British money, and to impose all new duties in the same currency, leaving the parties to pay the same in any other coin authorised to circulate in the Mauritius at the established rates by which the accounts of the Government may be immediately kept in the denomination of British money. A provision should also be made, similar to that proposed with respect to New South Wales and Sierra Leone, for payment of any debts which may have been contracted previously to a day to be named, in money of British denomination, but which debts are by usage payable in dollars at 5*s.* each.

Cape of Good Hope.

The Spanish dollar was formerly issued to the troops at this station universally, and at the rate of 4*s.* 8*d.* each, but they never obtained any considerable general circulation; and latterly their use has been almost discontinued in issues to the troops, who have been paid in the paper rix dollar computed at the current rate of exchange. There is, in fact, at present no metallic circulation at this Colony, and the paper money is not exchangeable against any metallic money, nor has it any real fixed value with reference to metallic money. The nominal value of the rix dollar is 4*s.*, but it has for many years been at a very considerable discount

in exchange for bills upon England, and its real value, with reference to those bills, has not, upon an average of two or three years, been more than 1 *s.* 6 *d.* sterling. My Lords feel that it would be inexpedient, if not impossible, to introduce a metallic currency into this Colony, without either providing for the immediate payment of the whole of this paper money, or fixing a rate at which it should be received both in public and private transactions, and made exchangeable by the Government, at the will of the holder, for metallic money, or for bills upon this Board. With reference to the average rate of exchange, as above stated, it appears to my Lords that 1 *s.* 6 *d.* per rix dollar may be considered as a fair rate, and they are therefore of opinion the rix dollar should be declared equal to 1 *s.* 6 *d.* in British silver money; and with a view to prevent it from falling below that rate, that it shall be at all times exchangeable, at the will of the holder, for bills upon this Board, at the rate of 103 *l.* in value of rix dollars computed at 1 *s.* 6 *d.* each for every 100 *l.* bill; and that after the arrival of a sufficient amount of British metallic money in the colony, no paper brought in to be exchanged for bills upon this Board should be re-issued, but that such paper money should be cancelled, and wholly withdrawn from circulation, and that none other in lieu thereof should thereafter be issued. And it is their Lordships' opinion, that the paper money withdrawn from circulation should be sent to this country, as vouchers for the bills which may be drawn on account of it. By this measure, it is presumed that the value of the paper money will be maintained at its fixed rate, with reference to British money.

The number of paper rix dollars in circulation, which have been from time to time issued at the Cape of Good Hope, is about 3,108,000; and the total amount of bills upon this Board, if the whole were to be exchanged for such bills, would therefore be about the sum of 226,000 *l.* But as a part of those rix dollars was issued by a Government establishment, called the Lombard Bank, upon various securities, the sums which may from time to time be paid upon these securities should be applied towards the liquidation of this paper money. It is not, however, their Lordships' intention that any compulsory measures should be taken to withdraw the whole of the paper money from circulation; but that such portions only should be cancelled as may from time to time be brought in by individuals in exchange for bills upon this Board; and that the paper money which may be received for rates, taxes, or other revenues, should be again issued in payment of the current expenditure, except such paper money as may represent a less sum than 10 rix dollars, which should not, after the arrival of British metallic money, be re-issued, but should be cancelled, and sent home as vouchers to the accounts, as should also rix dollars equal in amount to the sum paid to the Lombard Bank, in liquidation of the debts due to that establishment.

As the rates, taxes, &c., are at present imposed in this colony in rix dollars, and as it appears to my Lords that it would be extremely convenient to introduce into all the colonies belonging to the United Kingdom the same description of money, my Lords are of opinion that it would be expedient to establish a new schedule of rates, duties, &c., payable to the Crown, in which schedule the present rates in rix dollars, and the new rates in British money, at the proposed fixed rate of the rix dollar, should be specified; and that all collectors and other officers of Government at the Cape of Good Hope should be required to render their accounts in British money.

CEYLON.

The currency of this Island is very various, and consists of rix dollars coined in England for its use, of many of the coins of India, of Spanish dollars, and of paper rix dollars.

The rix dollar coined in England expressly for the use of Ceylon is rated very much above its intrinsic worth, measured by British currency; and neither that nor the paper rix dollar is exchangeable at the will of the holder, at its nominal rate against British money, or any other description of coin. The consequence naturally is, that in all transactions of exchange, the silver rix dollar is rated with reference to its intrinsic and not to its nominal value, and a very considerable depreciation of this coin appears to exist. Of this depreciation, numerous complaints have been made from the civil and military servants of the colony, who receive their salaries in this

description of currency at its nominal rate; but, as some compensation for the loss which they sustain, they are permitted to exchange a certain portion of their salary, or rather to receive it, in debentures or in bills payable in Great Britain, which are granted at the nominal par. The rix dollars last coined in Great Britain were equal in weight and fineness to one-third of a Spanish dollar; consequently, taking the Spanish dollar at 4 *s.* 4 *d.*, they are worth only 1 *s.* 5$\frac{3}{4}$ *d.*, although they are nominally rated at 1 *s.* 9 *d.* It appears to my Lords that the value of the rix dollar should be rated more nearly to its intrinsic worth as compared to the Spanish dollar, and that the silver rix dollar, as well as the paper rix dollar, should be made exchangeable at the will of the holder, at such reduced value, either for British coins or for bills upon this Board. My Lords are therefore of opinion that the value of the silver and paper rix dollar should be fixed at 1 *s.* 6 *d.*; and in order to prevent the paper rix dollar from falling below that value, that an authority should be conveyed to the Governor to draw bills upon the agent of the Island in England, in sums of not less than 100 *l.* for any amount of paper rix dollars which may be tendered at the colonial treasury, at the rate of 103 *l.* value of rix dollars for every 100 *l.* bill; and that instructions should be sent to the Governor that the paper rix dollars so brought in for bills should be cancelled, and transmitted to this country as vouchers for the bills drawn; and that none other in lieu thereof should be issued to replace the paper money thus withdrawn from circulation, by which measure, it is to be presumed that the value of this paper money, while any part of it remains in circulation, will be maintained at its fixed rates with reference to British money, and will be gradually paid off and cancelled.

The number of paper rix dollars in circulation and issued upon the credit of the Government, and the amount of debentures bearing various rates of interest, which have been issued in exchange for those rix dollars, is about 4,041,900; and the total amount of the bills to be drawn, if the whole were to be exchanged for such bills, would be about the sum of 296,000 *l.*; but a part of that sum will be supplied from the funds appropriated as sinking fund for the redemption of those rix dollars, and even the remainder will be gradually drawn for, as it is not their Lordships' intention that any compulsory measures should be taken to withdraw the whole of the paper money from circulation; and that the paper money which may be received by Government for rates, taxes, &c., should be again issued in payment of the current expenditure.

It appears to my Lords that, after the promulgation of these orders, neither the civil nor military servants of the colony should receive bills upon England upon any other terms than other individuals, namely, for Spanish dollars or other coins at the current or market rate of exchange; and for British money, or for metal or paper rix dollars, at the rate of a bill of 100 *l.* for every 103 *l.* of British silver coin, or metal or paper rix dollars.

The rates, taxes, &c., in this Island being at present imposed in rix dollars, my Lords deem it expedient that the same arrangement should be adopted in respect thereof as that proposed for the Cape of Good Hope, namely, that a new schedule of all the rates, duties, &c., payable to the Crown, should be framed; in which Schedule the present rates in rix dollars, and new rates in British money, at the proposed fixed rate of the rix dollar, should be specified, and that all collectors and other officers of the government at Ceylon should be required to render their accounts in British money.

My Lords further think that, from the date of the receipt of their instructions, no debenture bearing interest payable in Ceylon or in this country should upon any account be granted; and that the Governor should be instructed to transmit an account of those now outstanding, distinguishing those the interest of which is payable in Ceylon from those the interest of which is payable in Great Britain; and specifying also the conditions upon which the debentures were issued, and the periods when they will become payable, in order that such arrangements may be made, with the aid of the sinking fund established for the liquidation of these debentures, as may ensure their liquidation at the time they may respectively become due.

Transmit copy of this Minute to Mr. Wilmot Horton, for the information and consideration of the Earl Bathurst; and request he will inform my Lords if his Lordship concurs in the proposed measures; and, if so, whether, in his opinion, application should be made for an Order of His Majesty in Council, for giving effect to these arrangements in the colonies of New South Wales, Mauritius, Ceylon, Cape of Good Hope, and Sierra Leone; or whether the same may be more conveniently carried into effect by his Lordship's directions to the Governors of these several colonies to issue proclamations for carrying these arrangements into effect.*

TABLE of the Gross Weight of the Contents in pure Silver, and of the Value, computed at the Rate of 5*s.* 2*d.* per oz. Troy, British Standard Fineness, of the undermentioned Silver Coins, taken from Assays made at the Mints at Paris and London, together with the Rate at which those Coins are to be issued (when British Coin is not in the Military Chest) for the Pay of the British Troops in the Colonies:—

	Gross Weight of the Coins.	Contents in pure Silver.	Value, at 5*s.* 2*d.* per oz., Standard.	To be issued to the Troops at
	Grains.	*Grains.*	*s. d. Dec.*	*s. d.*
FRENCH:				
Piece of 5 francs	385	344 9	4 – 16	4 –
„ 2 ditto	155	138 8	1 7 38	1 8
Franc	77½	69 4	– 9 69	– 10
SICILIAN:				
Dollar or scudo	422	348 2	4 – 62	4 1
Piece of 40 grains	141	117 5	1 4 40	1 5
„ 20 ditto	72	59 1	– 8 25	– 9
SPANISH:				
Dollar	416	370 9	4 3 79	4 4
UNITED STATES OF AMERICA:				
Dollar	416	370 1	4 3 68	4 4
EAST INDIES:				
Calcutta, rupee	192	175 9	2 – 56	2 1
Bombay or Surat, ditto	179	164 7	1 11 10	1 11

* The Colonial Office preferred an Order in Council.

(v.) Order in Council of 23rd March 1825.

Whereas it has been represented to His Majesty at this Board, by the Lords Commissioners of His Majesty's Treasury, that they have given directions that His Majesty's troops serving in the several British colonies and possessions abroad should, in certain cases, be paid in British silver and copper money; and that, with a view of securing the circulation of such money in those colonies, it would be expedient that an Order in Council should be issued declaring that in all those colonies where the Spanish dollar is now, either by law, fact, or practice, considered as a legal tender for the discharge of debts, or where the duties to the Government are rated or collected, or the individuals have a right to pay, in that description of coin, that a tender and payment of British silver money to the amount of 4*s.* 4*d.* should be considered as equivalent to the tender or payment of one Spanish dollar, and so in proportion for any greater or less amount of debt: And whereas it has been further represented by the Lords Commissioners of His Majesty's Treasury that, with respect to the Cape of Good Hope, where there are not any Spanish dollars in circulation, but where the circulation consists entirely of paper rix dollars and its proportions, and with respect to Ceylon, where the circulation consists of silver and paper rix dollars, as well as of a variety of other coins which are generally received and paid with relation to their value as compared with rix dollars, it would be expedient that a tender and payment of 1*s.* 6*d.* in British silver money should be considered as equivalent to a tender and payment of one such rix dollar so current at the Cape of Good Hope and Ceylon respectively, and so in proportion for any greater or less sum; and also that British copper should be made a legal tender in all the British colonies, for its due and proper proportions of British silver money, as by law established in Great Britain, but that no person should be compelled to take more than 12*d.* in copper money at any one payment: His Majesty, having taken the said representation into consideration, is pleased, by and with the advice of His Privy Council, to approve of what is therein proposed; and the Right Honourable the Lords Commissioners of His Majesty's Treasury, and the Right Honourable Earl Bathurst, one of His Majesty's Principal Secretaries of State, are to give the necessary directions herein, as to them may respectively appertain.

(vi.) Circular Letters (2) to Colonies of 15th September 1838.

No. 1.

Sir, Downing-street, 15 September 1838.

The state of the currency in the West Indies has, for some time past, engaged the serious attention of Her Majesty's Government.

The very unsatisfactory state of the monetary system in those colonies, the almost total disappearance of the Spanish dollar from the ordinary channels of circulation, the substitution of mutilated coins, or of parts of coins, and the difficulty of preserving even these, defective as they are, in sufficient quantity for the purposes of domestic interchange, warranted the apprehension that in the constitution and structure of the colonial currency there exists some original error, without the correction of which that currency cannot be placed on a just foundation, or retained in a sound and satisfactory state.

From the inquiry instituted on this subject it appears that the main error of the system, the principal source of the actual inconvenience, consists in the over-valuation of the gold coins in circulation relatively to those of silver.

In the general market of the commercial world the proportionate value of silver to gold is very nearly 15·8 to 1.

In the West Indies, although the nominal currencies of the different islands vary considerably from each other, the doubloon of Mexico and South America, whatever may be the law in particular islands, is in practice taken to be equivalent to 16 dollars; which makes the proportionate value of fine silver to fine gold, as nearly as can be computed from the average weight and fineness of those coins, as ascertained by the Assay Master of Her Majesty's Mint, very nearly 16·48 to 1.

This over-valuation of the doubloon has rendered gold the ultimate standard to which all money contracts in the West Indies have reference; for although, according to the original meaning of the terms in which the money of account is expressed, silver is the commodity intended to be conveyed in all pecuniary contracts, yet the words which were once understood to mean a certain quantity of silver now mean either that quantity of silver or a certain quantity of gold; and as a debtor always chooses to acquit himself of his obligation by a payment in the cheaper metal, or in coins of that metal which are overrated with reference to those of the other, both parties to the contract must, at the time of entering into it, have contemplated a payment in gold.

Under the circumstances which I have stated the dollar and the doubloon cannot be maintained in concurrent circulation at the proportionate rate of 16·48 to 1 assigned to them by law or practice.

In the general market of the world the relative value of the two coins is understood to be in the proportion of about 15¼ to 1.

In London the value of a Mexican dollar, estimated in the gold currency of the United Kingdom, is now, and has been for some time past, very nearly 4 *s.* 2 *d.*

The value of a doubloon, at the Mint price of 3 *l.* 17 *s.* 10½ *d.* per oz. for gold of the British standard (assuming the doubloon to contain 362 grains of fine gold), is very nearly 64 *s.*

The proportion of 4 *s.* 2 *d.* to 64 *s.* is as 1 to 15·36.

This proportion Her Majesty's Government have taken as the basis of the alteration which, with the view of rendering the concurrent circulation of the dollar and the doubloon practicable, they have deemed it proper to make.

In the application of this rule of proportion to the currencies of the different islands of the West Indies it will be necessary to make such an alteration of the present nominal rates of the dollar and the doubloon as will render the nominal proportions commensurate with the actual proportions.

As all existing contracts have reference to the overrated gold coins, it will be proper to retain the present denomination of the doubloon, and to raise the present denomination of the dollar in the proportion of 15·36 to 16.

The effect of the alteration will be to give to 15·36 dollars the same current denomination as is now given to one doubloon, and to render 15·36 dollars and one doubloon equivalent tenders of payment for the same amount of nominal currency.

Her Majesty has been pleased to revoke the Order in Council made on the 23rd day of March 1825, and by a new Order to approve a Proclamation declaring that in her colonial possessions in the West Indies and America 4 *s.* 2 *d.* and 64 *s.* of British silver shall be deemed legal tenders for one dollar and one doubloon respectively. Hence, whatever may be the current denominations of the two coins in any of the colonies referred to in the Order, the same denominations will be applicable to 4 *s.* 2 *d.* and 64 *s.* of British silver.

In those islands where 64 English shillings and one doubloon are at present conventionally regarded as equivalent tenders of payment, no other practical alteration will be made than to give a new denomination to the silver of Mexico and South America, on the principle and in the manner which I have above described.

I have, &c.

No. 2.

Sir, Downing-street, 15 September 1838.

IN obedience to the commands of Her Majesty in Council, I herewith transmit to you two Orders in Council, dated respectively the 7th and the 14th instant, with the Royal Proclamation to which the last of those Orders refers. The Order of the 7th instant revokes the Order in Council of the 23rd of March 1825 so far as it relates to the West Indian and North American colonies. The Order of the 14th instant approves the Proclamation by which Her Majesty has been pleased to determine the proportionate rates at which the Spanish dollar and the doubloon are hereafter to pass current in the British West Indies.

In my accompanying Circular Despatch of this date I have stated, for your information, the principles by which Her Majesty's Government have been guided in the introduction of these changes in the current value of foreign coins in the West Indian colonies. The object of the present communication is to point out to you the measures which it will be your duty to adopt on receiving the Royal Orders and Proclamation.

I trust that, when the principles and objects of the measure shall be distinctly understood, there will be no reason to apprehend any serious or extensive objection to it. On the other hand, the subject is one on which misapprehensions are so readily conceived and propagated, that it is necessary to be prepared for some popular delusion as to the possible effects of these changes in the colonial currency. You will observe, therefore, that Her Majesty in Council has been pleased to declare that, until actually promulgated by you, the Proclamation of the 14th instant shall not take effect within the colony under your government. It will be in your power, therefore, to defer the publication of it for some short interval, which you might advantageously employ in communicating with the principal merchants, landed proprietors, and other leading persons in the colony on the subject.

You will avail yourself of that opportunity of explaining the motives by which Her Majesty's Government has been guided, and for removing any erroneous impressions which may at first be formed respecting the character and tendency of this measure. The interval of delay cannot, however, I apprehend, be much protracted; for as the Orders and Proclamation must appear in the public "Gazette" in this country, and will therefore be universally known, and as their official promulgation in any one of the colonies to which they apply will render the same course inevitable in all the rest, it cannot be deferred for more than a short time in any.

You will, of course, observe that the Royal Proclamation is framed with reference only to the sterling money of Great Britain. But as the pecuniary transactions of the West Indian colonies are all entered into with reference to the various local currencies or moneys of account, the measure will be incomplete and comparatively inefficient if the effect of the change in the relative values of the British and foreign coins should not be authoritatively stated in the terms of that conventional currency. But, after the most careful inquiry, it has been found impracticable to ascertain the relation of current and sterling money throughout all the different West Indian colonies with the exactness and precision which would be requisite if the Royal Proclamation were so framed as to embrace that branch of the subject. I find that in the year 1825 the same difficulty existed. It was at that time overcome by delegating to the respective Governors the duty of proclaiming in the various colonies the rates at which the Spanish dollar should pass current in the different local moneys of account. Instructions to that effect were conveyed by Earl Bathurst in his Circular Despatch accompanying the Order in Council of March 1825 In pursuance of those instructions various Proclamations have been issued for this purpose by the Governors, which Proclamations are still in force. It is proposed to follow this precedent on the present occasion.

You will, therefore, upon promulgating the Royal Proclamation, publish a subsidiary Proclamation, declaring what is the sum of money of account in the colony under your government to which the British shilling, the dollar, and the doubloon, are respectively equivalent. Her Majesty

does not delegate to you any discretionary authority for determining the relative values of these coins in the terms of the local currency, but merely confides to you the duty of expressing with accuracy in those terms the proportions established between them by the Royal Proclamation. The meaning will perhaps be rendered more clear by the following illustration. Let it be supposed that in the colony under your government the doubloon is equivalent in money of account to five pounds six shillings and eight pence (5*l.* 6*s.* 8*d.*). The consequence will be, that the dollar will be equivalent to six shillings eleven pence and one-third of a penny (6*s.* 11⅓*d.*) of the money of account, and that the British shilling will be equivalent to one shilling and eight pence (1*s.* 8*d.*) of the same money of account.

The accuracy of these statements is readily shown by exhibiting in the usual arithmetical form the proportions which subsist between the sums to which I have referred. For 6*s.* 11⅓*d.* : 5*l.* 6*s.* 8*d.* :: 4*s.* 2*d.* : 64*s.*, and 1*s.* 8*d.* : 6*s.* 11⅓*d.* :: 1*s.* : 4*s.* 2*d.*

Or, if it be supposed that, in the colony under your government, the doubloon is equivalent in money of account to eight pounds (8*l.*), then, according to the same rule of proportion, the dollar and the British shilling will be equivalent to ten shillings and five pence (10*s.* 5*d.*) and two shillings and sixpence (2*s.* 6*d.*) respectively, of the same money of account.

The assumptions as to the value of the doubloon in the local money of account may not coincide with the fact in the case of any one colony. They are stated merely by way of hypothesis and illustration, and will serve to show the principle on which the proportionate value of the British shilling, the dollar, and the doubloon, may be calculated in each colony, for the purpose of promulgating in each the subsidiary Proclamation by which the rules laid down by Her Majesty in Council will be expressed in the terms of the various local currencies. When you shall have issued any such Proclamation you will communicate it to me, in order that it may receive Her Majesty's ultimate sanction and confirmation.

I have, &c.

(vii.) ORDER IN COUNCIL of 7th September 1838.

WHEREAS by an Order of His late Majesty King George the Fourth, made with the advice of His Privy Council, and bearing date the 23rd of March 1825, after reciting, amongst other things, that it had been represented to His Majesty at the Council Board, by the Lords Commissioners of His Majesty's Treasury, that they had given directions that His Majesty's troops serving in the several British colonies and possessions abroad should, in certain cases, be paid in British silver and copper money; and that, with a view of securing the circulation of such money in those colonies, it would be expedient that an Order in Council should be issued declaring that in all those colonies where the Spanish dollar was then, either by law, fact, or practice, considered a legal tender for the discharge of debts, or where the duties of the Government were rated or collected, or the individuals had a right to be paid, in that description of coin, that a tender and payment of British silver money, to the amount of 4*s.* 4*d.*, should be considered as equivalent to the tender or payment of one Spanish dollar, and so in proportion for any greater or less amount of debt; His said late Majesty was pleased to approve of what was proposed in the said representation.

And whereas it is expedient that the said recited Order in Council should be revoked, so far as respects Her Majesty's colonies and possessions in America and the West Indies, be it, therefore, and it is hereby ordered, by the Queen's Most Excellent Majesty, by and with the advice of Her Privy Council, that so far as respects Her Majesty's colonies and possessions in America, and in the West Indies, the said recited Order shall be, and the same is hereby rescinded.

And the Right Honourable Lord Glenelg, one of Her Majesty's Principal Secretaries of State, is to give the necessary directions herein accordingly.

(viii.) ORDER IN COUNCIL and ROYAL PROCLAMATION of 14th September 1838.

WHEREAS there was this day read at the Board the draft of a Proclamation regulating the rate at which certain foreign coins are to pass current in Her Majesty's West India colonies: Her Majesty, having taken the same into consideration, was pleased, by and with the advice of Her Privy Council, to approve thereof, and to order, as it is hereby ordered, that the said Proclamation do take effect and come into force, in each of Her Majesty's said colonies, upon and from and after such day as shall be, for that purpose, limited by the Governor or officer administering the government of each of the said colonies respectively, by any Proclamations to be by them respectively, for that purpose, issued in each of such respective colonies.

And the Right Honourable Lord Glenelg, one of Her Majesty's Principal Secretaries of State, is to give the necessary directions for causing publication to be made hereof within Her Majesty's said colonies.

BY THE QUEEN, A PROCLAMATION.

WHEREAS the coin current in Our West India colonies, including Our province of British Guiana, consisting partly of the current coin of the United Kingdom, and partly of Spanish, Mexican, and Columbian gold coin, called doubloons, and of Spanish, Mexican, and Columbian silver coin, called dollars; and it is expedient that the rate at which the said doubloons and dollars shall circulate in Our said colonies should be ascertained and fixed: Now therefore We, by the advice of Our Privy Council, have thought fit to declare and ordain, and by the advice aforesaid We do declare and ordain, that throughout the whole of Our said colonies the said doubloon shall circulate and be received in payment as being of the full value of 64*s.* sterling, current money of the United Kingdom, and the said dollar shall circulate and be received in payment as being of the full value of 4*s.* 2*d.* sterling, like current money of the United Kingdom. And in all payments to be made in any of Our said colonies, tender of payment in doubloons and dollars, or either of them, at the rate aforesaid, shall be deemed and taken to be a lawful tender, in the same manner as if such tender had been made in the current coin of the United Kingdom.

Given at Our Court at Windsor, this Fourteenth day of September One Thousand Eight Hundred and Thirty-eight, and in the Second Year of Our Reign.

God save the Queen.

(ix.) REGULATIONS AND CONDITIONS FOR THE OBSERVANCE OF WHICH PROVISION SHOULD BE MADE IN CHARTERS OR LEGISLATIVE ENACTMENTS RELATING TO THE INCORPORATION OF BANKING COMPANIES IN THE COLONIES. (1840.)*

1. THE amount of Capital of the Company to be fixed, and the whole of such fixed amount to be subscribed for within a limited period not exceeding eighteen months from the date of the Charter or Act of Incorporation.—(*1.*)

2. The Bank not to commence business until the whole of the Capital is subscribed, and a moiety at least of the subscription paid up.—(*6.*)

3. The whole amount of the Capital to be paid up within a given time from the date of the Charter or Act of Incorporation, such period, unless under peculiar circumstances, not to exceed two years.—(*7.*)

4. The debts and engagements of the Company on Promissory Notes, or otherwise, not to exceed at any time thrice the amount of the paid-up

* The italicised numbers in brackets at the end of clauses refer to the clauses of the later Regulations of 1846 (*infra*), and have been inserted in order to facilitate comparison.

Capital, with the addition of the amount of such deposits as may be made with the Company's Establishments by individuals in specie or Government paper.—(*13.*)

5. All Promissory Notes of the Company, whether issued from the Principal Establishment or from Branch Banks, are to bear date at the place of issue; and to be payable on demand in specie at the place of date.—(*15.*)

6. No Promissory or other Notes to be issued for sums under 1 *l.* sterling (or in the North American Colonies 1 *l.* Halifax currency), or the equivalent thereof in any other local currency; and not for fractional parts of that amount.—(*14.*)

7. Suspension of specie payments on demand at any of the Company's establishments for a given number of days (not in any case exceeding 60) within any one year, either consecutively or at intervals, to forfeit the Charter.—(*18.*)

8. In event of the Assets of the Company being insufficient to meet its engagements, the Shareholders are to be responsible to the extent of twice the amount of their subscribed Shares (that is, for the amount subscribed and paid-up, and for an additional amount equal thereto.)—(*17.*)

9. The Company shall not hold Shares in its own Stock, nor make advances on the security of those Shares.—(*10.*)

10. The discounts or advances by the Company on Securities bearing the name of any Director or Officer thereof, as Drawer, Acceptor, or Endorser, shall not at any time exceed one-third of the total advances and discounts of the Bank.—(.)

11. The Company shall not advance money on the security of lands or houses or ships, or on pledge of merchandize, nor hold lands or houses, except for the transaction of its business, nor own ships, or be engaged in trade, except as dealers in bullion or bills of exchange; but shall confine its transactions to discounting Commercial Paper and Negotiable Securities, and other legitimate Banking Business.—(*9.*)

12. The Dividends to Shareholders are to be made out of profits only, and not out of the Capital of the Company.—(*12.*).

13. The Company to make up and publish periodical statements of its Assets and Liabilities (half-yearly or yearly), showing under the heads specified in the annexed Form the average of the amount of its Notes in circulation and other liabilities at the termination of each week or month during the period to which the statement refers, and the average amount of specie or other Assets that were available to meet the same. Copies of these statements are to be submitted to the Government of the Colony within which the Company may be established, and the Company to be prepared, if called upon, to verify such statements by the production, as confidential documents, of the weekly or monthly balance sheets from which the same are compiled; and also to be prepared, upon requisition from the Lords Commissioners of Her Majesty's Treasury, to furnish in like manner such further information respecting the state or proceedings of its Banking Establishments as their Lordships may see fit to call for.—(*19.*)

14. No bye-law of the Company shall be repugnant to the conditions of the Charter or Act of Incorporation, or to the law of any Colony in which the Company's Establishments may be placed.—(*4.*)

15. The Charter or Act of Incorporation may provide for an addition to the Capital of the Company within specified limits, with the sanction of the Lords Commissioners of Her Majesty's Treasury; such additional Capital, and the shares and subscriptions that may constitute the same, being subject in every other respect, from and after the date of the above-mentioned sanction, to conditions and regulations similar to those applying to the original Capital.—(.)

16. In all cases in which shares in the Company's Stock are transferred, between the period of the grant of the Charter or Act of Incorporation and the actual commencement of business by the Bank, the responsibility of the

original holder of the transferred shares shall continue for six months at least after the date of the transfer.—(*s.*)

17. As the insertion in Charters or Acts of Incorporation of provisions relating to the detailed management of the business of the Corporation has, in several instances, been found to render the documents complicated and unintelligible, and has been productive of great inconvenience, it is desirable that such insertion should be avoided, and that the provisions of such Charters or Acts should be confined, as far as practicable, to the special powers and privileges to be conferred on the Company, and the conditions to be observed by the Company, and to such general regulations relating to the nomination and powers of the Directors, the institution of bye-laws, or other proceedings of the Company as may be necessary with a view to the public convenience and security.—(*s.*)

FORM OF RETURN REFERRED TO IN REGULATION No. 13.

RETURN of the Average Amount of Liabilities and Assets of the Bank of during the period from (1st January) to (30th June) 184 , viz.:—

	£		£
Promissory Notes in circulation not bearing Interest		Coin and Bullion	
Bills of Exchange in Circulation not bearing Interest		Landed or other Property of the Corporation	
Bills and Notes in circulation bearing Interest		Government Securities	
Balances due to other Banks		Promissory Notes or Bills of other Banks	
Cash Deposits not bearing Interest		Balances due from other Banks	
Cash Deposits bearing Interest		Notes and Bills discounted, or other debts due to the Corporation not included under the foregoing heads	
Total Average Liabilities	£	Total Average Assets	£

(x.) REGULATIONS RESPECTING THE INCORPORATION OF BANKING COMPANIES IN THE COLONIES. (1846.)

(Circular.)

SIR, Downing Street, 30th May 1846.

On the 4th of May 1840 Lord J. Russell transmitted to you a copy of certain Regulations,* the observance of which, in all Charters or Legislative enactments relating to the Incorporation of Banking Companies in the Colonies, Her Majesty's Government then considered of much importance.

The Correspondence which has since taken place on subjects of this nature, and the arrangements adopted by Parliament in regard to Banks of Issue in the United Kingdom, appear to Her Majesty's Government to have rendered necessary some modification of those Regulations, with a view to bring them into exact accordance with the principles on these subjects established in this Country. I accordingly transmit to you herewith a series of Regulations, revised with that object, to be substituted for those of May 1840.

These Regulations are forwarded to you, not, of course, as inflexible rules to be in all cases insisted on, but as embodying the general principles to be observed in the preparation of Colonial Acts for the Incorporation of Banking Companies; and Her Majesty's Government consider a compliance with all the more material conditions and restrictions as of much importance to the security of the communities in which such Banks may be established, and more especially to the poorer classes of such communities. I must, therefore, desire you to take care that in any Ordinances or Bills introduced into the Legislative Council of the Colony under your Government, for the Incorporation of Banking Companies, these conditions and restrictions be inserted.

I have the honour to be, Sir,
Your most obedient Servant,

* *i.e.*, the foregoing Regulations of 1840.

Regulations and Conditions for the Observance of which Provision should be made in Charters or Legislative Enactments relating to the Incorporation of Banking Companies in the Colonies.*

1. The amount of the Capital of the Company and number of shares to be determined; and the whole of such determined amount to be subscribed for within a limited period, not exceeding eighteen months from the date of the Charter or Act of Incorporation.—(*1.*)

2. Shareholders to be declared a Body Corporate, with common seal and perpetual succession, and other usual corporate powers; and with any requisite proviso that judgment against the Corporation shall attach to all additional liability of the Shareholders, as well as to paid-up Capital and other property of the Company.—(*New.*)

3. Provision to be made, either by Recital and Confirmation of any Deed of Settlement in these respects or otherwise, for the due management of the Company's affairs by appointment of Directors, and so forth, so far as shall seem necessary for the security of the Public.—(*17.*)

4. No by-law of the Company to be repugnant to the conditions of the Charter or Act of Incorporation, or to the Laws of any Colony in which the Company's establishments may be placed.—(*14.*)

5. The Corporate Body thus constituted to be specially empowered, subject to the conditions hereafter mentioned, to carry on for and during a limited term of years (not to exceed twenty-one years unless under particular circumstances), and within the Colony or Colonies specified in the Charter or Act of Incorporation, but not elsewhere, the business of banker; and for and during the like term to issue and circulate within the said Colony or Colonies, but in such manner only as shall not be at variance with any general Law of the Colony, Promissory Notes payable in Specie on Demand.—(*New.*)

6. Such Banking Business or Issue of Notes not to commence or take place until the whole of the fixed capital of the Company has been subscribed for, and a moiety, at least, of the subscription paid up.—(*2.*)

7.† The remaining moiety of the Capital to be paid up within a given period from the date of the Charter or Act of Incorporation, such period not in general to exceed two years.—(*3.*)

8. In all cases in which Shares in the Company's Stock are transferred between the period of the grant of the Charter or Act of Incorporation and the actual commencing of business by the Bank, the responsibility of the original holder of the transferred Shares to continue for six months at least after the date of the transfer.—(*16.*)

9. The Company not to advance money on security of lands or houses or ships, or on pledge of merchandise, nor to hold lands or houses, except for the transaction of its business, nor own ships, or be engaged in trade, except as dealers in Bullion or Bills of Exchange; but to confine its transactions to discounting Commercial Paper and Negotiable Securities, and other legitimate Banking Business.—(*11*).

10. The Company not to hold Shares in its own Stock, nor to make advances on the security of those Shares.—(*9.*)

11. The Discounts or Advances by the Company, on Securities, bearing the name of any Director or officer thereof, as drawer, acceptor, or endorser, not

* The italicised numbers in brackets at the end of sections refer to the sections of the earlier Regulations of 1840 (*supra*), and have been inserted in order to facilitate comparison.

† This section is merged in the foregoing section (No. 6) in these Regulations as printed in the "Colonial Office List."

to exceed at any time one-third of the total Advances and Discounts of the Bank.—(*10.*)

12. The Dividends to shareholders to be made out of profits only, and not out of the subscribed Capital of the Company.—(*12.*)

13. The total amount of the Debts and Liabilities of the Company, whether upon Bonds, Bills, Promissory Notes, or otherwise contracted, over and above the amount of Deposits on Banking Accounts with the Company's Establishments, not to exceed at any time three times the amount of the Capital Stock subscribed and actually paid up.—(*4.*)

14. No Promissory or other Notes to be issued for sums under 1 *l.* sterling (or in the North American Colonies 1 *l.* Halifax currency), or the equivalent thereof in any other local currency, and not for fractional portions of such Pound or other equivalent amount.—(*6.*)

15. All Promissory Notes of the Company, whether issued from the Principal Establishment or from Branch Banks, to bear date at the place of issue, and to be payable on demand in Specie at the place of date.—(*5.*)

16. The total amount of the Promissory Notes payable on demand, issued and in circulation, not at any time to exceed the amount of the Capital Stock of the Company actually paid up.*—(*New.*)

17. In the event of the assets of the Company being insufficient to meet its engagements, the Shareholders to be responsible to the extent of twice the amount of their subscribed Shares (that is, for the amount subscribed, and for a further and additional amount equal thereto).—(*8.*)

18. Suspension of Specie Payments on Demand at any of the Company's Banking Establishments, for a given number of days (not in any case exceeding sixty) within any one year, either consecutively or at intervals, or other breach of the Special Conditions upon which the Company is empowered to open Banking Establishments or to issue and circulate Promissory Notes, to forfeit those privileges, which shall cease and determine upon such forfeiture as if the period for which they had been granted had expired.—(7.)

19. The Company to make up and publish periodical Statements of its Assets and Liabilities half-yearly or yearly; showing, under the heads specified in the annexed form, the average of the amount of its Notes in circulation, and other Liabilities, at the termination of each week or month, during the period to which the statement refers, and the average amount of Specie or other Assets that were available to meet the same. Copies of these statements to be submitted to the Government of the Colony within which the Company may be established; and the Company to be prepared, if called upon, to verify such Statements by the production, as confidential documents, of the Weekly or Monthly Balance Sheets from which the same are compiled. And also to be prepared, upon requisition from the Lords Commissioners of Her Majesty's Treasury, to furnish, in like manner, such information respecting the state or proceedings of its Banking Establishments as their Lordships may see fit to call for.†—(*13.*)†

20. The Charter or Act of Incorporation may provide for an addition to the Capital of the Company within specified limits, with the sanction of the Lords Commissioners of the Treasury; such additional Capital, and the Shares and Subscriptions that may constitute the same, to be subject in every respect, from and after the date of the signification of such sanction, to conditions and regulations similar to those applying to the original Capital.—(*15.*)

* In the "Colonial Office List" this section now concludes with the important additional provision:—"A reserve of Specie always to be maintained equal to one-third of the amount of Notes at any time in circulation."

† The Regulations in the "Colonial Office List" add:—"The Governor to be also empowered to verify the statements of the Company of the amount of Specie held by them."

FORM OF RETURN REFERRED TO IN REGULATION No. 19.

RETURN of the Average Amount of Liabilities and Assets of the Bank of the period from (1st January) to (30th June) 184 , viz. :—

Liabilities.			*Assets.*	
Promissory Notes in circulation not bearing Interest - -	£		Coin and Bullion - - - -	£
Bills of Exchange in circulation not bearing Interest - -	£		Landed or other Property of the Corporation - - - -	£
Bills and Notes in circulation bearing Interest - - -	£		Government Securities - -	£
Balances due to other Banks -	£		Promissory Notes or Bills of other Banks - - - -	£
Cash Deposits not bearing Interest - - - - -	£		Balances due from other Banks -	£
Cash Deposits bearing Interest -	£		Notes and Bills discounted, or other Debts due to the Corporation, not included under the foregoing heads, and exclusive of Debts abandoned as bad -	£
To Shareholders for Capital paid up - - -	£			
To Ditto for Additions declared to Shares (if any) - -	£			
To Ditto for Dividends remaining unpaid (if any) - -	£			
Total Average Liabilities -	£		Total Average Assets -	£

(xi.) TREASURY MINUTE, dated 12th October 1852.

THE Chancellor of the Exchequer calls the attention of the Board to the subject of the circulation of British silver coins as an unlimited tender in the Colonies.

The question engaged the consideration of the late Board of Treasury in reference to the West India Colonies ; and Despatches are now before my Lords from the Governors of those Colonies, containing their views regarding the probable effect of such an alteration of the existing system as had been proposed in the interest of the communities under their respective administrations. The opinions stated in these Despatches differ greatly from one another ; and, although the conclusions at which the Chancellor of the Exchequer has arrived coincide with those entertained by the late Board regarding the general impolicy of a practice which is opposed to sound principles of currency, there are difficulties attending the question in the West Indies, from the existence of local laws on the subject, and also from the commercial position of many of the Islands, which would render doubtful the expediency of attempting a revision of their currency at the present time. Mr. Disraeli therefore recommends the postponement of the consideration of any measures for this purpose in regard to the West Indies.

He states, however to the Board that his attention has been drawn to the effects of this system in another quarter, in consequence of the large exportation of silver coin which has recently taken place to Australia. In the Colonies in that country the usage has prevailed (as in other Colonies) of admitting British silver into circulation as an unlimited tender, though without the sanction of any law.

It does not appear that any inconvenience has arisen from the practice up to the present time ; but the discovery of the gold mines has occasioned an active internal commerce which requires an enlarged circulation ; and it becomes important that the currency of these Colonies should be placed on a sound basis.

The Chancellor of the Exchequer proposes, therefore, to the Board that the Lords of the Privy Council should be requested to submit a Proclamation to the Queen at the next Council, declaring that the coins of the Realm shall circulate in Australia according to the regulations by law established in this country, and that the silver coins shall be legal tender for payment of sums only which do not exceed Forty Shillings. He proposes also that the measure should be extended to the Colonies of New Zealand, Ceylon, Mauritius, and Hong Kong, in none of which any reasons exist for the continuance of the usage which has prevailed regarding the circulation of British silver as an unlimited tender.

He lays before the Board drafts which he has caused to be prepared of a Proclamation and Order in Council for carrying this measure into effect.

My Lords concur in the suggestion of the Chancellor of the Exchequer, and direct that a communication be made to the Clerk of the Council accordingly, transmitting to him the Draft Proclamation and Order in Council, with my Lords' request that the Lords of the Privy Council will submit the same to Her Majesty for confirmation.

(xii.) ORDER IN COUNCIL of 16th October 1852.

WHEREAS there was this day read at the Board the draft of a Proclamation regulating the currency of the coins of the United Kingdom in Her Majesty's colonies in Australia, New Zealand, Ceylon, Mauritius, and Hong Kong: Her Majesty, having taken the same into consideration, was pleased, by and with the advice of Her Privy Council, to approve thereof, and to order, and it is hereby ordered, that the said Proclamation do take effect and come into force in Her Majesty's said colonies, or any of them, from and after the date of the publication thereof by the Governor, Lieutenant Governor, or other officer administering the government of the same respectively.

And the Lords Commissioners of Her Majesty's Treasury, and the Right Honourable Sir John Pakington, Bart., one of Her Majesty's Principal Secretaries of State, are to give the requisite directions herein accordingly.

PROCLAMATION BY THE QUEEN.

WHEREAS it has been represented to Us that in Our colonies in Australia, New Zealand, Ceylon, Mauritius, and Hong Kong the silver coins of Our United Kingdom pass current as an unlimited tender for payments, and it is expedient that the regulations which govern the circulation of the coins of Our United Kingdom, as by law established, should be enforced in Our said colonies: Now therefore We, by the advice of Our Privy Council, have thought fit to declare and ordain, and by the advice aforesaid We do hereby declare and ordain, that within and throughout Our colonies in Australia, New Zealand, Ceylon, Mauritius, and Hong Kong the coins of Our United Kingdom shall pass current in the manner directed in the several Acts of Parliament which regulate the currency of the same, and that the silver coins of Our United Kingdom shall not be a legal tender in payment of sums exceeding Forty shillings.

(xiii.) ORDER IN COUNCIL, &c., of 19th August 1853 (U.S. Gold).*

WHEREAS there was this day read at the Board the Draft of a Proclamation regulating the rates at which certain foreign coins are to pass current within Her Majesty's West India Colonies: Her Majesty, having

* By a subsequent Order in Council and Proclamation of 9th March 1854 it was ordained (i.) that multiples of the Eagle should be rated proportionately to the Eagle, and (ii.) that the provisions of the Order and Proclamation of 1853, as now amended, should extend to British Guiana.

taken the same into consideration, was pleased, by and with the advice of Her Privy Council, to approve thereof and to order, and it is hereby ordered, that the said Proclamation do take effect and come in force in each of Her said Colonies, upon and after such day as shall be for that purpose limited by the Governor or Officer administering the Government of each of the said Colonies respectively, by any Proclamations to be by them respectively issued for such purpose in each of such Colonies.

And the Commissioners of Her Majesty's Treasury, and the Most Noble the Duke of Newcastle, one of Her Majesty's Principal Secretaries of State, are to give the necessary directions herein accordingly.

DRAFT PROCLAMATION.*

WHEREAS by Our Proclamation given at Our Court at Windsor on the 14th day of September 1838, and in the second year of Our Reign, rates were fixed at which certain coins of foreign countries shall circulate and be received in payment in Our West India Colonies; and whereas it has been represented to us by the Commissioners of Our Treasury that it is expedient that, in addition to the coins named in Our said Proclamation, the rates at which the gold coins of the United States of North America should circulate in Our said Colonies shall be ascertained and fixed; Now, therefore, We, by the advice of Our Privy Council, have thought fit to declare and ordain, and by the advice aforesaid We do hereby declare and ordain, that throughout Our said Colonies the gold coins of the said United States of the denominations hereinafter mentioned shall circulate and be received in payment as being of the full value and equivalent to current money of Our United Kingdom, at the rates hereinafter specified, that is to say:—

The Eagle at the rate of forty-one shillings sterling.

The Half-Eagle at the rate of twenty shillings and sixpence sterling.

The Quarter-Eagle at the rate of ten shillings and threepence sterling.

The Gold Dollar at the rate of four shillings and one penny.

And in all payments to be made in our said Colonies tender and payment in the said coins, or either of them at the respective rates aforesaid, shall be deemed and taken to be a lawful tender in the same manner as if such tender had been made in the current coin of our United Kingdom.

(xiv.) COPY of TREASURY MINUTE, dated 22nd March 1853.†

Colonial Office, 19 March 1852.
27 Dec. „
27 Dec. „
27 Dec. „
18 Jan. 1853.
2 Feb. „
5 Feb. „

MY Lords have before them the whole of the correspondence relating to the produce of the gold fields of New South Wales and Victoria, and the proposal to establish branches of the Royal Mint in those colonies; and they more particularly advert to the correspondence noted in the margin.

A petition to Her Most Gracious Majesty the Queen from the Legislative Council of New South Wales, dated on the 19th December 1851, praying that Her Majesty would exercise Her prerogative by the establishment of a branch of Her Royal Mint at Sydney, was forwarded to Earl Grey, Her Majesty's Principal Secretary of State for Colonial Affairs, by Governor FitzRoy on the 16th January 1852.

Meanwhile some of the principal bankers and other persons connected with New South Wales, in the City of London, had suggested the adoption

* By a subsequent Order in Council and Proclamation of 9th March 1854, it was provided (i.) that multiples of the Eagle should be rated proportionately to the Eagle, and (ii.) that the above Proclamation of 1853, as now amended, should extend to British Guiana.

† *See* House of Commons Paper, No. 18 of 1853.

of the same measure to Earl Grey, who, after communicating with this Board, informed Governor FitzRoy, by a Despatch dated on the 20th February 1852, that if, after consulting with his Executive Council, he should report that it was desirable to establish a Mint at Sydney, and that the expense of doing so could be provided for without inconvenience to the colony, his Lordship would be prepared to take the requisite steps for that purpose; it being understood that the Mint so to be established would be regulated by Order of Her Majesty in Council, and would be considered subordinate to the Royal Mint in this country, and would be framed for the sole purpose of coining gold. Lord Grey at the same time forwarded to Governor FitzRoy a Report from the Master of the Mint, furnishing two estimates, one for a Mint consisting of a single press, worked by animal power, capable of coining five millions of pieces annually, the estimated cost of which, including the building, was 10,000 *l.*, and the other for a Mint comprising three presses, worked by steam, of a capacity calculated for the coinage of all the probable yield of gold in Australia, and costing in all 30,000 *l.*

In reply to this Despatch Governor FitzRoy forwarded to Earl Grey, on the 12th of August 1852, a Minute of proceedings of his Executive Council, dated the 26th July 1852, in which he expressed his entire concurrence. The Executive Council stated in this Minute that, after giving to this question all the consideration which its importance demanded, they had arrived at the conclusion that the establishment of a branch Mint would be of the greatest advantage to the interests of the colony.

With respect to the scale on which the proposed Mint should be established, the Council were of opinion that the larger establishment detailed in Sir John Herschel's Report should be undertaken, assuming that it was the intention of Her Majesty's Government to establish at Sydney, as the seat of the General Government of the Australian colonies, a single Mint for the whole of those colonies; and the Council then proceeded to describe the detailed practical arrangements recommended by them, with a view to the establishment, at the earliest practicable period, of a branch of the Royal Mint at Sydney, on the above-mentioned hypothesis, that there would be only one Mint for all the Australian colonies, and that such Mint would be at Sydney.

The Executive Council stated, in conclusion, that, on receiving the final decision of Her Majesty's Government on this matter, the Local Government would be prepared to make immediately the necessary remittances for the cost of the machinery and tools, and the expense of the conveyance to the colony of the part of the establishment which the Council proposes should be selected in this country by the Master of the Mint.

An Address from the Legislative Council stating their opinion that it is expedient that a branch of the Royal Mint on the larger scale described by the Master of the Mint should, without delay, be established at Sydney, was forwarded to the Secretary of State by Governor FitzRoy on the 2nd September 1852.

By a further Despatch from Governor FitzRoy, dated the 2nd November 1852, the Secretary of State was apprised that a remittance of 10,000 *l.* had been made to the Colonial Agent General for the purchase of the machinery and apparatus requisite for the establishment of a branch of the Royal Mint at Sydney, and that sum is now at the disposal of Her Majesty's Government for the purpose.

On the 31st July 1852 Mr. Latrobe, Lieutenant Governor of Victoria, forwarded to Her Majesty's Secretary of State for Colonial Affairs a petition to Her Most Gracious Majesty the Queen from the Legislative Council of Victoria, praying, for reasons therein stated, that Her Majesty would be graciously pleased to establish a branch of Her Royal Mint at Melbourne, the capital of Victoria, either for the Australian colonies generally, or for the coinage of the gold of Victoria only, as Her Majesty might be pleased to determine.

In a Despatch from Sir Henry Young, Lieutenant Governor of South Australia, dated 2nd October 1852, an Address to Her Majesty was transmitted from the Legislative Council of that colony, praying for the establishment of a branch of the Royal Mint at Adelaide. In the same

Despatch Sir Henry Young reports the issue, under the Bullion Act, No. 1 of 1852, of gold tokens in such a form as it is expected will supply a satisfactory metallic currency until a Mint for the issue of sovereigns is established at Adelaide.

My Lords approach this subject necessarily with imperfect information, owing to the great distance of Australia from this country, and the consequent lapse of time in the interchange of communications; and they must deal with it upon a consideration of the expressed wishes of the colonies immediately interested, without the advantage of such modifications of their views as further experience might induce.

At the time when Lord Grey's Despatch of the 20th February was written to the Governor of New South Wales no intelligence had been received in this country of the discovery of gold fields in other parts of Australia, and the offer to establish a Mint at Sydney, on condition of the expense being provided for by the colony, was made with reference only to the circumstances which were then known to exist in that colony.

As the Executive Council of New South Wales has, after full consideration of the subject, expressed its opinion that the establishment of a branch Mint, subordinate to the Royal Mint, would be of the greatest advantage to the interests of the colony, and has engaged to defray all the costs of the undertaking, and as their opinion has, moreover, been confirmed by an Address of the Legislative Council, it appears to my Lords that the colony is entitled to claim the fulfilment of the expectations held out in the Despatch of Earl Grey.

But the principle which led to this proposal in the case of New South Wales would apply equally to other colonies in which gold fields have been discovered, and which may be desirous of undertaking the cost of Mint establishments for the coinage of their own gold. And although the question has been raised whether it may not be desirable, for the sake of the general interests of the Australian colonies, that one Mint only should be formed for a common coinage, my Lords feel that Her Majesty's Government is not in a position to decide upon the conflicting claims which have been advanced for this privilege, and that, if such a measure should be ultimately adopted, the consideration of it must be deferred until further experience may afford the colonies the opportunity of coming to a mutual understanding on the subject, or may enable the Government to assert the prerogative of the Crown with greater certainty for their common benefit.

In the meantime my Lords will be prepared to deal with the applications of the several colonies as they arise; and in framing regulations on the subject will stipulate for such conditions and restrictions only as are necessary on Imperial considerations.

These are as follows:—

First. There must be no charge, actual or prospective, on the British Treasury.

Second. There must be an absolute central control, carried to such a point that Her Majesty's Government may be enabled fully to satisfy themselves in regard to the use to be made of the Queen's effigy, the fineness and weight of the coin to be issued from the local Mints, according to its denomination and the impression to be stamped upon it.

In order to carry these principles into effect, my Lords would recommend the adoption of measures of which the following is a general outline.

When it is determined to establish a Mint in any one colony, the necessary arrangements shall be provided under the authority of an Order of the Queen in Council, which shall constitute such Mint as a branch of and subordinate to the Royal Mint, and prescribe the duties and functions of the principal officers to be appointed to conduct it. The Order shall contain provisions for the coinage and issue therefrom of such coins as Her Majesty may authorise to be struck from dies to be furnished by the Master of the Mint in London. It shall contain precise directions as to the fineness and weight of the coin to be struck, which shall correspond in these

respects with the coin of the realm. In order to ensure this correspondence, the Order shall provide for the transmission to this country from time to time, at the expense of the colony, of a certain proportion of the coins struck at the branch Mint, selected in a prescribed manner, that they may be assayed and tested by the Master of the Mint, whose Reports to this Board shall be communicated to the Governor. The Order shall leave to the Governor in Council of the colony such power of direction as to the issue of the coins, and as to the regulation of the establishment, as shall be consistent with the foregoing fundamental rules. It shall take effect in the colony from such time as may be fixed by Proclamation of the Governor, and it shall give power to the Governor to close or suspend the operations of the Mint by Proclamation.

The principal officers shall be appointed by the Crown, and shall hold their appointments during pleasure, and subject to such Orders as may be issued by the Governor in Council respecting the continuance of the Mint. The Warrant of appointment of the Deputy Master or Superintendent shall direct him to obey the instructions of the Governor in all matters which are not provided for by the Order in Council, or by directions founded thereon by the Master of the Mint, with the sanction of this Board. To provide against illness, the principal officers shall be empowered to nominate deputies, with the sanction of the Governor; and in case of the death of any of those officers the Governor shall have power to appoint successors to them provisionally, until Her Majesty's pleasure shall be known.

As the motive for the establishment of the proposed Mints is for the coinage of the gold found in Australia, it will not be requisite to make provision at present for striking any other description of coin; but the Mints, when established, will be available for any coinage which Her Majesty may direct, if a necessity for it should arise.

With regard to the gold coins, as they will not, under the laws of the United Kingdom, be legal tender in this country, it will be necessary that they should be stamped in such manner as may render them distinguishable at sight from the coins of the realm, with which, however, as above provided, they will be identical in fineness, weight, and denomination. With a view to this object, and also to render each establishment responsible for the integrity of its coins, the particular local Mint from which they are issued should be legibly denoted on the coin. My Lords, however, conceive that it would not be expedient to confine their circulation to the colony in which they may be issued, but that they should have general currency throughout the colonies of Australasia.

When the devices of the coins shall have been determined, it will be proper to issue a Proclamation by the Queen describing them, and specifying the denominations for which they shall pass current in the said colonies, so long as they shall continue of legal weight. It will be expedient, also, by the same or a separate Proclamation, to authorise, as by the law in force in the United Kingdom, the cutting and defacing of any coin of deficient weight which shall be tendered for payment. These Proclamations should be promulgated in the several Australian colonies previously to the issue of any coins from the Mints.

In the present state of the Australian colonies, my Lords apprehend that it will be essential to the efficient working of the proposed Mints that Government establishments shall be instituted in connection with them for melting, refining, and assaying the rough gold, previously to its delivery to the Mint for coinage. But it will be a question for the colonial authorities to consider, whether it may not be desirable that these operations should be carried on in a separate though contiguous building, in order that, in the event of its being found expedient hereafter to discontinue the Government assay of bar gold, and to leave the operation to private enterprise, the building and machinery may be disposed of without disturbing the Mint establishment. The arrangements for the Government refinery may, my Lords conceive, be left entirely to the management of the local Government, but their Lordships will be prepared to offer such suggestions for establishing it in connection with the Mint as may be reported by the Master of the Mint to be desirable, with a view to the efficient fulfilment of the functions of the latter

establishment, and also to take such measures as may be reported by the Master to be desirable, with this view, in regard to providing the necessary apparatus, and for engaging competent persons in this country to work it. Amongst the arrangements connected with the refinery which my Lords conceive may be left to the discretion of the Local Government will be the fixing a scale of charges to be levied from persons bringing gold to be melted and assayed; but any suggestions which the Master of the Mint may have to offer on this subject may be communicated to the local Government.

My Lords propose that it should also be left to the discretion of the Local Government whether, in addition to the charge for melting and assaying, any seignorage or duty should be levied for the separate expense of the coinage, or whether that expense should be covered by the profits of the Assay Department, or be otherwise provided for. In order, however, to enable the Executive Council to exercise such discretion, provision must be made, in the Order of the Queen in Council for the establishment of the Mint, to authorise the levying a duty of this description of limited amount, and for applying the proceeds thereof to the expenses of the Mint establishment, or of the coinage.

The foregoing regulations and suggestions will apply to any Mint which it may be found expedient to establish in Australia, and, according to the principle they have proposed, my Lords will be prepared to give effect to them in the case of any colony in that country which may show, from its production of gold, a reasonable ground for the establishment of a Mint, and which, by sending to this country money for the payment of any preliminary charges which may be required here, may give a distinct earnest of its intention to meet the demand of the Treasury for an indemnity from charge on behalf of the British people.

My Lords are now in a position to undertake this service in the case of the colony of New South Wales, the Government of which has remitted and placed at the disposal of Her Majesty's Government 10,000 *l.* for the purchase of machinery, &c.

This sum was fixed with reference to the estimate contained in the Report of the Master of the Mint, of the 7th January 1852, of the cost to be incurred in this country for the machinery of the larger Mint which he contemplated, and which the Executive Council of New South Wales wish to have established, with a view to a general coinage in that country for the whole of the Australian colonies. My Lords have already given reasons why they are not prepared to assent at present to the establishment of a central and common Mint in any one of the colonies, and they conceive that it will be proper, therefore, to confine the arrangements to be now adopted to the apparatus and establishment to be provided for the smaller Mint, referred to by Sir John Herschel, as being of a capacity calculated to fulnl the requirements of a coinage for the colony in which the Mint may be set up. Their Lordships, however, observe that even this smaller Mint was calculated for the coinage of 5,000,000 gold pieces annually, and as the average coinage in the Royal Mint of London during the last 37 years has not exceeded 3,225,500 pieces annually, my Lords have every hope that even this smaller Mint, when organised in New South Wales, will be in a condition, partially and for a time at least, to meet the wants of other colonies which have expressed the desire for Mints of their own. The necessary delay which will occur in giving effect to their wishes will give them the opportunity of further considering that desire, and they will be enabled to judge from the practical effects of the establishment of a Mint at Sydney how far a similar institution will be advantageous to them.

My Lords propose, in conformity with the request of the Executive Council of New South Wales, to select, in concert with the Master of the Mint, the principal officers and skilled workmen necessary for the proposed establishments, at such rate of remuneration as may be considered necessary and proper; but my Lords conceive that it will be right to apprise the persons so selected that Her Majesty's Government, acting at the request of the Executive Council, can only assign to them their salaries for a limited period, and subject to any ulterior arrangements which the colonial authorities may adopt.

Transmit copy of this Minute to the Master of the Mint, and request that he will report to my Lords in detail the arrangements which he would propose for carrying into effect the measures which their Lordships contemplate for the establishment of a branch Mint in New South Wales.

Transmit also copy thereof to Mr. Merivale, for the information of the Duke of Newcastle with reference to the several communications on the subject of the establishment of Mints in Australia, referred to in the first part of the Minute.

(xv.) ORDER IN COUNCIL of 18th October 1854.

WHEREAS by an Order in Council, bearing date the 19th day of August 1853, Her Majesty thought fit to order that a branch of the Royal Mint should be established at or near Sydney, in New South Wales.

And whereas there was this day read at the Board a representation from Sir John Frederick William Herschel, Baronet, the Master of Her Majesty's Mint, dated the 25th day of August last, in the words following, viz. :—

"In pursuance of Your Majesty's gracious commands, that dies for an Australian sovereign and half-sovereign (intended to be struck in the Branch of Your Majesty's Mint at Sydney, in New South Wales) should be prepared, according to a pattern which the Master of Your Majesty's Mint had the honour to submit for Your Majesty's approbation, I humbly beg to lay before Your Majesty a description of the impression intended to be struck on the said Australian sovereign and half-sovereign, viz. :—

"For the obverse of the sovereign, the effigy of Your Majesty, with the inscription 'Victoria D : G : Britanniar : Regina F : D :' and the date of the year. For the reverse, the word 'Australia' placed in the centre of the piece, encircled by a laurel wreath and surmounted by the Royal Crown, with the inscription 'Sydney Mint, One Sovereign,' and with a graining on the edge.

"And for the half-sovereign, the obverse in every respect similar to the sovereign ; and for the reverse, the same word 'Australia' in the centre, encircled and surmounted in like manner, but for the inscription the words 'Sydney Mint, Half-Sovereign,' and a graining on the edge.

"Should it please Your Majesty to approve of the said impression to be struck on the Australian sovereign and half-sovereign, I humbly request Your Majesty will be graciously pleased to signify Your Majesty's commands thereon, that the coinage may be proceeded with as soon as the said Sydney Branch of the Royal Mint shall come into operation."

Her Majesty, having taken the said representation into consideration, was pleased, by and with the advice of Her Privy Council, to approve of the therein described impression to be struck on the said Australian sovereign and half-sovereign. And the Right Honourable the Lords Commissioners of Her Majesty's Treasury are to give the necessary directions herein accordingly.

(xvi.) ORDER IN COUNCIL and PROCLAMATION of 18th October 1854.

WHEREAS there was this day read at the Board the draft of a Proclamation declaring the rates at which certain gold coins, to be called Australian sovereigns and half-sovereigns, intended to be struck at Her Majesty's branch of the Royal Mint at Sydney, in New South Wales, are to pass current in all Her Majesty's Colonies in Australia, New Zealand, and Van Diemen's Land : Her Majesty, having taken the same into consideration, was pleased, by and with the advice of Her Privy Council, to approve thereof, and to order, and it is hereby ordered, that the said Proclamation do take effect and come into force in each of Her Majesty's said Colonies and Possessions upon, and from and after, the promulgation thereof by the Governors or Officers administering the government of the said Colonies respectively. And the Lords Commissioners of Her Majesty's Treasury, and the Right Honourable Sir George Grey, Baronet, one of Her Majesty's Principal Secretaries of State, are to give the necessary directions therein accordingly.

DRAFT PROCLAMATION.

WHEREAS by an Order in Council, bearing date the 19th day of August 1853, We have thought fit to Order that a Branch of Our Royal Mint should be established at or near Sydney, in New South Wales.

And whereas, in the 18th year of Our reign, by an Order in Council dated the 18th day of October 1854, We have thought fit to order that certain pieces of gold money should be coined at the said branch of our Royal Mint, to be called respectively Australian sovereigns and Australian half-sovereigns, and to be of the same respective weights, fineness, and values with the sovereigns and half-sovereigns now current within this Our realm.

And whereas, pursuant to and in virtue of the powers given in Our said Orders in Council, it is provided that a coinage of the said Australian sovereigns and half-sovereigns shall be made, and that every such Australian sovereign shall have for the obverse the effigy of Her Majesty, with the inscription "Victoria D: G: Britanniar: Regina F: D:" and the date of the year; and for the reverse, the word "Australia" placed in the centre of the piece, encircled by a laurel wreath and surmounted by the Royal Crown, with the inscription "Sydney Mint, One Sovereign," and with a graining on the edge. And that every such Australian half-sovereign shall have the obverse in every respect similar to that of the sovereign, and for the reverse, the same word "Australia" in the centre, encircled and surmounted in like manner, but for the inscription the words "Sydney Mint, Half-Sovereign," and a graining on the edge.

And whereas pieces of gold money of the above descriptions will be coined at Our said branch of the Royal Mint, in pursuance of Orders issued and to be issued by Us, We have, therefore, by and with the advice of Our Privy Council, thought fit to issue this Our Royal Proclamation; and We do ordain, declare, and command that the said pieces of gold money so to be coined shall be current and lawful money within all Our colonies in Australia, New Zealand, and Van Diemen's Land, and shall pass and be received as current and lawful money therein, by the names aforesaid, and at the values hereinbefore assigned to them.

(xvii.) Sydney Branch Mint Act, 1863 (26 & 27 Vict. c. 74).

An Act to enable Her Majesty to declare Gold Coins to be issued from Her Majesty's Branch Mint at *Sydney, New South Wales*, a legal Tender for Payments; and for other Purposes relating thereto.

[28th *July* 1863.]

WHEREAS by an Act of the Fifty-sixth Year of the Reign of His late Majesty King *George* the Third, Chapter Sixty-eight, intituled *An Act to provide for a new Silver Coinage, and to regulate the Currency of the Gold and Silver Coins of this Realm*, it is amongst other things provided, that after the date of the passing of that Act the gold coin of the Realm should be the only legal tender for payments (except the silver coin of the Realm to the extent of forty shillings) within the United Kingdom of *Great Britain* and *Ireland*: And whereas by the same Act it is declared that the gold coin of the Realm should hold such weight and fineness as are prescribed by an Indenture therein referred to, and made with His Majesty's Master and Worker of the Mint for making gold monies at His Majesty's Mint in *London*, and with such allowance called the remedy as is given to the said Master by the said Indenture, which weight and fineness are by the said Act declared to be the Standard of the lawful Gold Coin of the Realm, so far as relates to the gold coins of the denominations in use at the time of the passing of the said Act and specified in the said Indenture: And whereas gold coins of the weight and fineness and of the denominations mentioned in the said Act, and specified in the said Indenture, have from the date of the said Act up to the present time continued to be issued from Her Majesty's Mint in *London*, and to be the only legal tender for payments, except as aforesaid, within the United Kingdom: And whereas Her Majesty has by Proclamation established at *Sydney*, in *New*

South Wales, a Branch of the Royal Mint for making gold coins of the same weight and fineness and of the same denominations as the gold coin issued by Her Majesty's Mint in *London*, and has appointed a Deputy Master of the said Branch Mint; and it is expedient that power should be given to Her Majesty to make the gold coin so issued by Her Majesty's Mint at *Sydney* a legal tender for payments in the United Kingdom: Be it therefore enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1. It shall be lawful for Her Majesty, by Proclamation issued with the Advice of Her Privy Council, to declare that, after a date specified in such Proclamation, gold coins made at the said Branch Mint, of designs approved by Her Majesty, at *Sydney* aforesaid, and being of the same weight and fineness as are required by Law with respect to gold coins of the same denominations made at Her Majesty's Mint in *London*, are to be a legal tender for payments within the United Kingdom of *Great Britain* and *Ireland*; and upon such Proclamation being issued, gold coins made of such designs, and being of such weight and fineness as aforesaid, shall be a legal tender for payments accordingly.

2. It shall be lawful for Her Majesty, by Proclamation issued with such advice as aforesaid, from time to time to impose on the Coinage of Gold at the said Branch Mint at *Sydney* a charge sufficient to defray the Expenses of Coinage, over and above the expenses of assay and refining; and it shall be incumbent on the said Deputy Master to coin gold at the charge so imposed.

3. This Act may be cited for all purposes as "The *Sydney* Branch Mint Act, 1863."

(xviii.) ROYAL PROCLAMATION of 3rd February 1866.

WHEREAS by an Order in Council, bearing date the nineteenth day of August, one thousand eight hundred and fifty-three, We have thought fit to order that a Branch of Our Royal Mint should be established at or near Sydney, in New South Wales.

And whereas in the eighteenth year of Our reign, by an Order in Council dated the eighteenth day of October, one thousand eight hundred and fifty-four, We have thought fit to order that certain pieces of gold money should be coined at the said branch of Our Royal Mint, to be called respectively Australian sovereigns and Australian half-sovereigns, and to be of the same respective weights, fineness, and values with the sovereigns and half-sovereigns now current within this Our realm.

And whereas, pursuant to, and in virtue of, the powers given in Our said Orders in Council, it is provided that a coinage of the said Australian sovereigns and half-sovereigns shall be made, and that every such Australian sovereign shall have for the obverse Our effigy, with the inscription "Victoria, D.G., Britanniar. Regina, F.D.," and the date of the year, and for the reverse the word "Australia," placed in the centre of the piece, encircled by a laurel wreath and surmounted by the Royal Crown with the inscription, "Sydney Mint, One Sovereign." and with a graining on the edge: and that every such Australian half-sovereign shall have the obverse in every respect similar to that of the sovereign, and for the reverse the same word "Australia," in the centre, encircled and surmounted in like manner, but for the inscription the words, "Sydney Mint, Half-Sovereign," and a graining on the edge.

And whereas pieces of gold money have been and will be coined at Our said branch of the Royal Mint, in pursuance of orders issued and to be issued.

And whereas by an Act made and passed in the twenty-sixth and twenty-seventh years of Our reign, entitled An Act to enable Her Majesty to declare gold coins to be issued from Her Majesty's Branch Mint at Sydney, New South Wales, a legal tender for payments, and for other purposes relating thereto, it is provided, that "It shall be lawful for Her Majesty,

by Proclamation, issued with the advice of Her Privy Council, to declare that, after a date specified in such Proclamation, gold coins made at the said Branch Mint, at Sydney aforesaid, of designs approved by Her Majesty, and being of the same weight and fineness as are required by law with respect to gold coins of the same denominations made at Her Majesty's Mint, in London, are to be a legal tender for payments within the United Kingdom of Great Britain and Ireland; and upon such Proclamation being issued gold coins made of such designs, and being of such weight and fineness as aforesaid, shall be a legal tender for payments accordingly."

And whereas by the same Act it is further provided, that "It shall be lawful for Her Majesty, by Proclamation issued with such advice as aforesaid, from time to time to impose on the coinage of gold at the said Branch Mint at Sydney a charge sufficient to defray the expenses of coinage, over and above the expenses of assay and refining; and it shall be incumbent on the said Deputy Master to coin gold at the charge so imposed."

We, therefore, by and with the advice of Our Privy Council, have thought fit to issue this Our Royal Proclamation, and We do ordain, declare, and command, that from and after the date of the publication of this Our Proclamation in the "London Gazette" coins made at the said Branch Mint, of designs approved by Us at Sydney aforesaid, and being of the same weight and fineness as are required by law, with respect to gold coins of the same denominations made at Our Mint in London, shall be a legal tender for payments within the United Kingdom of Great Britain and Ireland.

And We do hereby, by and with the advice of Our Privy Council, by this Our Royal Proclamation, impose on the coinage of gold at the said Branch Mint at Sydney the charge of threepence per ounce troy of gold of Standard fineness, being a charge sufficient to defray the expenses of coinage over and above the expenses of assay and refining.

Given at Our Court at *Osborne House, Isle of Wight*, this third day of *February*, in the year of Our Lord, one thousand eight hundred and sixty-six, and in the twenty-ninth year of Our Reign.

God save the Queen.

(xix.) The Colonial Branch Mint Act, 1866 (29 & 30 Vict. c. 65).

An Act to enable Her Majesty to declare Gold Coins to be issued from Her Majesty's Colonial Branch Mints a legal Tender for Payments; and for other Purposes relating thereto. [6th *August* 1866.]

WHEREAS by an Act of the Fifty-sixth Year of the Reign of His late Majesty King *George* the Third, Chapter Sixty-eight, intituled *An Act to provide for a new Silver Coinage, and to regulate the Currency of the Gold and Silver Coins of this Realm*, it is amongst other things provided, that after the date of the passing of that Act the gold coin of the Realm should be the only legal tender for payments (except the silver coin of the Realm to the extent of forty shillings) within the United Kingdom of *Great Britain* and *Ireland*:

And whereas by the same Act it is declared, that the gold coin of the Realm should hold such weight and fineness as are prescribed by an Indenture therein referred to, and made with His Majesty's Master and Worker of the Mint for making gold monies at His Majesty's Mint in *London*, and with such allowance called the remedy as is given to the said Master by the said Indenture, which weight and fineness are by the said Act declared to be the Standard of the lawful gold coin of the Realm, so far as relates to the gold coins of the denominations in use at the time of the passing of the said Act, and specified in the said Indenture:

And whereas gold coins of the weight and fineness and of the denominations mentioned in the said Act, and specified in the said Indenture, have from the date of the said Act up to the present time continued to be issued from Her Majesty's Mint in *London*, and to be a legal tender for payments

as well in the United Kingdom as in divers of Her Majesty's Possessions abroad:

And whereas Her Majesty by Proclamation hath established or may hereafter establish in divers of Her Majesty's said Possessions Branches of the Royal Mint, for making gold coins of the same weight and fineness and of the same denominations as the gold coin issued by Her Majesty's Mint in *London*, and it is expedient that power should be given to Her Majesty to declare the gold coin so made and issued by such Colonial Branch Mints a legal tender for payments in any part of Her Majesty's Dominions in which gold coin issued from Her Majesty's Mint in *London* may from time to time be a legal tender:

Be it therefore enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

1. It shall be lawful for Her Majesty from time to time, by Proclamation issued with the advice of Her Privy Council, to declare that for such period and subject to such conditions as may be specified in such Proclamation, gold coins made at any such Colonial Branch Mint, of designs approved by Her Majesty, and being of the same weight and fineness as are required by law with respect to gold coins of the same denominations made at Her Majesty's Mint in *London*, are to be a legal tender for payments within any part of Her Majesty's Dominions to be specified in such Proclamation in which gold coins issued from Her Majesty's Mint in *London* shall at the date of the issue of such Proclamation be a legal tender, and upon such Proclamation being issued gold coins made of such designs, and being of such weight and fineness as aforesaid, shall be a legal tender for payments accordingly.

2. It shall be lawful for Her Majesty, by Proclamation issued with such advice as aforesaid, from time to time to impose on the coinage of gold at any such Branch Colonial Mint as aforesaid a charge sufficient to defray the expenses of coinage over and above the expenses of assay and refining; and it shall be incumbent on the Deputy Master of any such Mint to coin gold at the charge so imposed.

3. Any Proclamation issued under authority of this Act may be revoked by Her Majesty, with the advice of Her Privy Council.

4. This Act may be cited for all purposes as "The Colonial Branch Mint Act, 1866."

(XX.) ORDER IN COUNCIL and ROYAL PROCLAMATION of 10th November 1866.

WHEREAS there was read, this day, at the Board, the Draft of a Proclamation declaring Gold Coins made at the Branch of the Royal Mint at Sydney, New South Wales, a legal tender in certain of Her Majesty's Possessions abroad specified in a Schedule attached to the said Draft Proclamation.

Her Majesty having taken the same into consideration was pleased, by and with the advice of Her Privy Council, to approve thereof, and to Order, and it is hereby Ordered, that the said Proclamation do take effect and come into force in each of Her Majesty's Possessions abroad s, led in the aforesaid Schedule, upon and from and after such day as shall be for that purpose limited by the Governor or Officer administering the Government of each of the said Possessions by any Proclamations to be by them for that purpose issued in each of such Possessions.

And the Right Honourable the Earl of Carnarvon, one of Her Majesty's Principal Secretaries of State, is to give the necessary directions for causing publication to be made hereof within Her Majesty's Possessions abroad.

BY THE QUEEN.

A PROCLAMATION.

For declaring Gold Coins made at the Branch Mint at Sydney, New South Wales, a legal tender throughout such parts of Her Majesty's Dominions as are specified in the Schedule hereunto annexed.

Whereas by an Order in Council, bearing date the nineteenth day of August, one thousand eight hundred and fifty-three, We have thought fit to order that a Branch of Our Royal Mint should be established at or near Sydney, New South Wales.

And whereas, in the eighteenth year of Our Reign, by an Order in Council, dated the eighteenth day of October, one thousand eight hundred and fifty-four, We have thought fit to order that certain pieces of Gold money should be coined at the said Branch of Our Royal Mint, to be called respectively, Australian Sovereigns and Australian Half-Sovereigns, and to be of the same respective weights, fineness, and values with the Sovereigns and Half-Sovereigns now current within this Our Realm.

And whereas, pursuant to and in virtue of the powers given in Our said Orders in Council, it is provided that a coinage of the said Australian Sovereigns and Half-Sovereigns shall be made, and that every such Australian Sovereign shall have for the obverse, Our Effigy, with the inscription "Victoria" D. G. Britanniar: Regina F. D." and the date of the year, and for the reverse, the word "Australia," placed in the centre of the piece, encircled by a laurel wreath, and surmounted by the Royal Crown, with the inscription "Sydney Mint, One Sovereign," and with a graining on the edge; and that every such Australian Half Sovereign shall have the obverse in every respect similar to that of the Sovereigns, and for the reverse the same word "Australia" in the centre, encircled and surmounted in like manner, but for the inscription the words "Sydney Mint, Half-Sovereign," and a graining on the edge.

And whereas pieces of gold money have been and will be coined at Our said Branch of the Royal Mint in pursuance of orders issued and to be issued.

And whereas by an Act passed in the twenty-ninth and thirtieth years of Our Reign, entitled "An Act to enable Her Majesty to declare Gold Coin to be issued from Her Majesty's Colonial Branch Mints a legal tender for payments, and for other purposes relating thereto," it is provided, that "It shall be lawful for Her Majesty from time to time by Proclamation, issued with the advice of Her Privy Council, to declare that for such period, subject to such conditions as may be specified in such Proclamation, Gold Coins made at such Colonial Branch Mint, of designs approved by Her Majesty, and being of the same weight and fineness as are required by law with respect to Gold Coins of the same denominations made at Her Majesty's Mint in London, are to be a legal tender for payments within any part of Her Majesty's Dominions, to be specified in such Proclamations, in which Gold coins issued from Her Majesty's Mint in London shall, at the date of the issue of such Proclamation, be a legal tender, and upon such Proclamation being issued Gold Coins made of such designs, and being of such weight and fineness as aforesaid, shall be a legal tender for payments accordingly."

And whereas Gold Coins issued from Our Mint in London, are at present a legal tender in such parts of Our Dominions as are specified in the Schedule hereunto annexed.

We, therefore, by and with the advice of Our Privy Council, have thought fit to issue this Our Royal Proclamation, and we do ordain, declare, and command that, from and after the date of the publication of this Our Proclamation by the Governor or other Officer administering the Government of such part or parts of Our Dominions as are specified in the Schedule hereunto annexed, Coins made at the said Branch Mint, of designs approved by Us, at Sydney aforesaid, and being of the same weight and fineness as are required by law with respect to Gold Coins of the same denominations made at Our Mint in London, shall be a legal tender for payments within such part or parts of Our Dominions as are specified in the said Schedule, until such period as this Our Royal Proclamation shall be revoked, by and with the advice of Our Privy Council aforesaid.

Schedule of Her Majesty's Possessions abroad referred to in the Order in Council, dated 10th day of November 1866, and in the Draft Proclamation, the issue of which is ordered by the said Order in Council.

Antigua.
Barbados.
Bahamas.
Bermuda.
Cape of Good Hope.
British Columbia.
Dominica.
Falkland Islands.
Gold Coast.
Gambia.
Gibraltar.
British Guiana.
Grenada.
Honduras.
Jamaica.
Lagos.
Malta.
Montserrat.
Nevis.
Natal.
St. Helena.
Sierra Leone.
St. Vincent.
St. Lucia.
Trinidad.
Turk's and Caicos Islands.
St. Christopher and its Dependencies.
Tobago.
Vancouvers Island.
Virgin Islands.

(xxi.) ROYAL PROCLAMATION of 7th August 1869.

For declaring Gold Coins made at the Branch Mint, at Melbourne, in Victoria, a Legal Tender within all parts of Her Majesty's Dominions in which Gold Coins issued from Her Majesty's Mint in London are now a Legal Tender.

Victoria R.

WHEREAS by an Order in Council, bearing date the seventh day of August, one thousand eight hundred and sixty-nine, We have thought fit to order that a Branch of Our Royal Mint should be established at or near Melbourne, in Victoria:

And whereas by the said Order We have thought fit to order that certain pieces of gold money should be coined at the said branch of Our Royal Mint, to be of the same designs, and of the same respective weights, fineness, and values with the sovereigns and half-sovereigns now current within this Our realm:

And whereas pieces of gold money will hereafter be coined at our said branch of the Royal Mint, in pursuance of Orders to be issued:

And whereas by an Act made and passed in the twenty-ninth and thirtieth years of Our reign, intituled, "An Act to enable Her Majesty to declare gold coins to be issued from Her Majesty's Colonial Branch Mints a legal tender for payments, and for other purposes relating thereto," it is provided that "It shall be lawful for Her Majesty from time to time, by Proclamation issued with the advice of Her Privy Council, to declare that for such period, and subject to such conditions as may be specified in such Proclamation, gold coins made at any such Colonial Branch Mint, of designs approved by Her Majesty, and being of the same weight and fineness as are required by law with respect to gold coins of the same denominations made at Her Majesty's Mint in London, are to be a legal tender for payments within any part of Her Majesty's dominions, to be specified in such Proclamation, in which gold coins issued from Her Majesty's Mint in London shall at the date of the issue of such Proclamation be a legal tender; and upon such Proclamation being issued gold coins made of such designs, and being of such weight and fineness as aforesaid, shall be a legal tender for payments accordingly."

We, therefore, by and with the advice of Our Privy Council, have thought fit to issue this Our Royal Proclamation, and We do ordain, declare, and command, that from and after the date of the publication of this Our Proclamation in the "London Gazette," coins made at the said Branch Mint, of designs approved by Us, at Melbourne aforesaid, and being of the same weight and fineness as are required by law with respect to gold coins

of the same denomination, made at Our Mint in London, shall be a legal tender for payments within all parts of Our Dominions in which gold coins issued from Our Mint in London are, at the date of the issue of this Our Proclamation, a legal tender.

Given at Our Court at *Osborne House, Isle of Wight*, this seventh day of *August*, in the year of Our Lord one thousand eight hundred and sixty-nine, and in the thirty-third year of Our Reign.

God save the Queen.

(xxii.) An Act to consolidate and amend the law relating to the Coinage and Her Majesty's Mint (33 & 34 Vict. c. 10).

[4th *April* 1870.]

WHEREAS it is expedient to consolidate and amend the law relating to the Coinage and Her Majesty's Mint:

Be it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

Short title.

1. This Act may be cited as "The Coinage Act, 1870."

Definitions of terms.

2. In this Act—

The term "Treasury" means the Lord High Treasurer for the time being, or the Commissioners of Her Majesty's Treasury for the time being, or any two of them;

The term "the Mint," means, except as expressly provided, Her Majesty's Royal Mint in England;

The term "British possession" means any colony, plantation, island, territory, or settlement within Her Majesty's dominions and not within the United Kingdom; and

The term "person" includes a body corporate.

Standard of coins.

3. All coins made at the Mint of the denominations mentioned in the first schedule to this Act shall be of the weight and fineness specified in that schedule, and the standard trial plates shall be made accordingly.

If any coin of gold, silver, or bronze, but of any other denomination than that of the coins mentioned in the first schedule to this Act, is hereafter coined at the Mint, such coin shall be of a weight and fineness bearing the same proportion to the weight and fineness specified in that schedule as the denomination of such coin bears to the denominations mentioned in that schedule.

Provided that in the making of coins a remedy (or variation from the standard weight and fineness specified in the said first schedule) shall be allowed of an amount not exceeding the amount specified in that schedule.

Legal tender.

4. A tender of payment of money, if made in coins which have been issued by the Mint in accordance with the provisions of this Act, and have not been called in by any proclamation made in pursuance of this Act, and have not become diminished in weight, by wear or otherwise, so as to be of less weight than the current weight, that is to say, than the weight (if any) specified as the least current weight in the first schedule to this Act, or less than such weight as may be declared by any proclamation made in pursuance of this Act, shall be a legal tender—

In the case of gold coins for a payment of any amount;

In the case of silver coins for a payment of an amount not exceeding forty shillings, but for no greater amount;

In the case of bronze coins for a payment of an amount not exceeding one shilling, but for no greater amount.

Nothing in this Act shall prevent any paper currency which under any Act or otherwise is a legal tender from being a legal tender.

Prohibition of other coins and tokens.

5. No piece of gold, silver, copper, or bronze, or of any metal or mixed metal, of any value whatever, shall be made or issued, except by the Mint, as a coin or a token for money, or as purporting that the holder thereof is

entitled to demand any value denoted thereon. Every person who acts in contravention of this section shall be liable on summary conviction to a penalty not exceeding twenty pounds.

Contracts, &c. to be made in currency.

6. Every contract, sale, payment, bill, note, instrument, and security for money, and every transaction, dealing, matter, and thing whatever relating to money, or involving the payment of or the liability to pay any money, which is made, executed, or entered into, done or had, shall be made, executed, entered into, done and had according to the coins which are current and legal tender in pursuance of this Act, and not otherwise, unless the same be made, executed, entered into, done or had according to the currency of some British possession or some foreign state.

Defacing light gold coin.

7. Where any gold coin of the realm is below the current weight as provided by this Act, or where any coin is called in by any Proclamation, every person shall, by himself or others, cut, break, or deface any such coin tendered to him in payment, and the person tendering the same shall bear the loss.

If any coin cut, broken, or defaced in pursuance of this section is not below the current weight, or has not been called in by any Proclamation, the person cutting, breaking, or defacing the same shall receive the same in payment according to its denomination. Any dispute which may arise under this section may be determined by a summary proceeding.

Coining of bullion taken to the Mint.

8. Where any person brings to the Mint any gold bullion, such bullion shall be assayed and coined, and delivered out to such person, without any charge for such assay or coining, or for waste in coinage.

Provided that—

(1.) If the fineness of the whole of the bullion so brought to the Mint is such that it cannot be brought to the standard fineness under this Act of the coin to be coined thereout, without refining some portion of it, the master of the Mint may refuse to receive, assay, or coin such bullion:

(2.) Where the bullion so brought to the Mint is finer than the standard fineness under this Act of the coin to be coined thereout, there shall be delivered to the person bringing the same such additional amount of coin as is proportionate to such superior fineness.

No undue preference shall be shown to any person under this section, and every person shall have priority according to the time at which he brought such bullion to the Mint.

Purchase of bullion.

9. The Treasury may from time to time issue to the master of the Mint, out of the growing produce of the Consolidated Fund, such sums as may be necessary to enable him to purchase bullion in order to provide supplies of coin for the public service.

Payment of profits, &c. to Exchequer.

10. All sums received by the master of the Mint, or any deputy master or officer of the Mint, in payment for coin produced from bullion purchased by him, and all fees and payments received by the master or any deputy master or officer of the Mint as such, shall (save as otherwise provided in the case of any branch mint in a British possession by a proclamation respecting such branch mint) be paid into the receipt of the Exchequer, and carried to the Consolidated Fund.

Regulations by Proclamation.

11. It shall be lawful for Her Majesty, with the advice of Her Privy Council, from time to time by Proclamation to do all or any of the following things; namely,

(1.) To determine the dimension of any design for any coin:

(2.) To determine the denominations of coins to be coined at the Mint:

(3.) To diminish the amount of remedy allowed by the first schedule to this Act in the case of any coin:

(4.) To determine the weight (not being less than the weight, if any,

specified in the first schedule to this Act) below which a coin, whether diminished in weight by wear or otherwise, is not to be a current or a legal tender :

(5.) To call in coins of any date or denomination, or any coins coined before the date in the Proclamation mentioned :

(6.) To direct that any coins, other than gold, silver, or bronze, shall be current and be a legal tender for the payment of any amount not exceeding the amount specified in the Proclamation, and not exceeding five shillings :

(7.) To direct that coins coined in any foreign country shall be current, and be a legal tender, at such rates, up to such amounts, and in such portion of Her Majesty's dominions as may be specified in the Proclamation ; due regard being had in fixing those rates to the weight and fineness of such coins, as compared with the current coins of this realm :

(8.) To direct the establishment of any branch of the Mint in any British possession, and impose a charge for the coinage of gold thereat ; determine the application of such charge ; and determine the extent to which such branch is to be deemed part of the Mint, and to which coins issued therefrom are to be current and be a legal tender, and to be deemed to be issued from the Mint :

(9.) To direct that the whole or any part of this Act shall apply to and be in force in any British possession, with or without any modifications contained in the Proclamation :

(10.) To regulate any matters relative to the coinage and the Mint within the present prerogative of the Crown which are not provided for by this Act :

(11.) To revoke or alter any Proclamation previously made.

Every such Proclamation shall come into operation on the date therein in that behalf mentioned, and shall have effect as if it were enacted in this Act.

Trial of the pyx.

12. For the purpose of ascertaining that coins issued from the Mint have been coined in accordance with this Act, a trial of the pyx shall be held at least once in every year in which coins have been issued from the Mint.

It shall be lawful for Her Majesty, with the advice of Her Privy Council, from time to time, by Order, to make regulations respecting the trial of the pyx and all matters incidental thereto, and in particular respecting the following matters ; viz.,

(1.) The time and place of the trial :

(2.) The setting apart out of the coins issued by the Mint certain coins for the trial :

(3.) The summoning of a jury of not less than six out of competent freemen of the mystery of goldsmiths of the city of London or other competent persons :

(4.) The attendance at the trial of the jury so summoned, and of the proper officers of the Treasury, the Board of Trade, and the Mint, and the production of the coins so set apart, and of the standard trial plates and standard weights :

(5.) The proceedings at and conduct of the trial, including the nomination of some person to preside thereat, and the swearing of the jury, and the mode of examining the coins :

(6.) The recording and the publication of the verdict, and the custody of the record thereof, and the proceedings (if any) to be taken in consequence of such verdict :

Every such Order shall come into operation on the date therein in that behalf mentioned, and shall have effect as if it were enacted in this Act, but may be revoked or altered by any subsequent Order under this section.

13. The Treasury may from time to time do all or any of the following things :— Regulations by Treasury.

(1.) Fix the number and duties of the officers of and persons employed in the Mint :

(2.) Make regulations and give directions (subject to the provisions of this Act and any proclamation made thereunder) respecting the general management of the Mint, and revoke and alter such regulations and directions.

Master and Officers of Mint.

14. The Chancellor of the Exchequer for the time being shall be the master, worker, and warden of Her Majesty's Royal Mint in England, and governor of the Mint in Scotland. Master of Mint.

Provided that nothing in this section shall render the Chancellor of the Exchequer incapable of being elected to or of sitting or voting in the House of Commons, or vacate the seat of the person who at the passing of this Act holds the office of Chancellor of the Exchequer.

All duties, powers, and authorities imposed on or vested in or to be transacted before the master of the Mint may be performed and exercised by or transacted before him or his sufficient deputy.

15. The Treasury may from time to time appoint deputy masters and other officers and persons for the purpose of carrying on the business of the Mint in the United Kingdom or elsewhere, and assign them their duties, and award them their salaries. Deputy masters and officers.

The master of the Mint may from time to time promote, suspend, and remove any such deputy masters, officers, and persons.

Standard Trial Plates and Weights.

16. The standard trial plates of gold and silver used for determining the justness of the gold and silver coins of the realm issued from the Mint, which now exist or may hereafter be made, and all books, documents, and things used in connection therewith or in relation thereto, shall be in the custody of the Board of Trade, and shall be kept in such places and in such manner as the Board of Trade may from time to time direct ; and the performance of all duties in relation to such trial plates shall be part of the business of the Standard Weights and Measures Department of the Board of Trade. Custody, &c. of standard trial plates.

The Board of Trade shall from time to time, when necessary, cause new standard trial plates to be made and duly verified, of such standard fineness as may be in conformity with the provisions of this Act.

17. The standard weights for weighing and testing the coin of the realm shall be placed in the custody of the Board of Trade, and be kept in such places and in such manner as the Board of Trade may from time to time direct ; and the performance of all duties in relation to such standard weights shall be part of the business of the Standard Weights and Measures Department of the Board of Trade. Standard weights for coin.

The Board of Trade shall from time to time cause weights of each coin of the realm for the time being, and of multiples of such of those weights as may be required, to be made and duly verified ; and those weights, when approved by Her Majesty in Council, shall be the standard weights for determining the justness of the weight of and for weighing such coin.

The master of the Mint shall from time to time cause copies to be made of such standard weights, and once at least in every year the Board of Trade and the master of the Mint shall cause such copies to be compared and duly verified with the standard weights in the custody of the Board of Trade.

All weights which are not less in weight than the weight prescribed by the first schedule to this Act for the lightest coin, and are used for weighing coin, shall be compared with the said standard weights, and if found to be just shall, on payment of such fee, not exceeding five shillings, as the Board of Trade from time to time prescribe, be marked by some officer of the Standard Weights and Measures Department of the Board of Trade with a

mark approved of by the Board of Trade, and notified in the "London Gazette;" and a weight which is required by this section to be so compared, and is not so marked, shall not be deemed a just weight for determining the weight of gold and silver coin of the realm.

If any person forges or counterfeits such mark, or any weight so marked, or wilfully increases or diminishes any weight so marked, or knowingly utters, sells, or uses any weight with such counterfeit mark, or any weight so increased or diminished, or knowingly uses any weight declared by this section not to be a just weight, such person shall be liable to a penalty not exceeding fifty pounds.

All fees paid under this section shall be paid into the Exchequer, and carried to the Consolidated Fund.

Legal Proceedings.

Summary procedure.

18. Any summary proceeding under this Act may be taken, and any penalty under this Act may be recovered,—

In England, before two justices of the peace in manner directed by the Act of the session of the eleventh and twelfth years of the reign of Her present Majesty, chapter forty-three, intituled "An Act to facilitate the "performance of the duties of justices of the peace out of sessions within "England and Wales with respect to summary convictions and orders," and any Act amending the same.

In Scotland, in manner directed by The Summary Procedure Act, 1864.

In Ireland, so far as respects Dublin, in manner directed by the Acts regulating the powers of justices of the peace or the police of the Dublin metropolis, and elsewhere in manner directed by The Petty Sessions (Ireland) Act, 1851, and any Act amending the same.

In any British possession, in the courts, and before such justices or magistrates, and in the manner in which the like proceedings and penalties may be taken and recovered by the law of such possession, or as near thereto as circumstances admit, or in such other courts, or before such other justices or magistrates, or in such other manner as any Act or Ordinance having the force of law in such possession may from time to time provide.

Miscellaneous.

Extent of Act.

19. This Act, save as expressly provided by this Act, or by any Proclamation made thereunder, shall not extend to any British possession.

Repeal of Acts and parts of Acts in Second Schedule.

20. The Acts mentioned in the first part of the Second Schedule to this Act are hereby repealed to the extent in the third column of such Schedule mentioned, and those mentioned in the second part of the same Schedule are hereby repealed entirely.

Provided that,—

(1.) This repeal shall not affect anything already done or suffered, or any right already acquired or accrued;

(2.) All weights for weighing coin which have before the passing of this Act been marked at the Mint or by any proper officer shall be deemed to have been marked under this Act:

(3.) Every branch of the Mint which at the passing of this Act issues coins in any British possession shall, until the date fixed by any proclamation made in pursuance of this Act with respect to such branch Mint, continue in all respects to have the same power of issuing coins and be in the same position as if this Act had not passed, and coins so issued shall be deemed for the purpose of this Act to have been issued from the Mint:

(4.) The said Acts (unless relating to a branch Mint and unless in the said schedule expressly otherwise mentioned) are not repealed so far as they apply to any British possession to which this Act does not extend until a Proclamation directing that this Act or any part thereof, with or without any modification contained in the Proclamation, shall be in force in such British possession comes into operation.

SCHEDULES.

First Schedule.*

Denomination of Coin.	Standard Weight.		Least Current Weight.		Standard Fineness.	Remedy Allowance.†		
						Weight per Piece.		Millesimal Fineness.
	Imperial Weight. Grains.	Metric Weight. Grams.	Imperial Weight. Grains.	Metric Weight. Grams.		Imperial Grains.	Metric Grams.	
GOLD:								
Five Pound	616·37239	39·94028	612·50000	39·68935	Eleven-twelfths fine gold, one-twelfth alloy; or millesimal fineness 916·66.	1·00000	0·06479	0·002
Two Pound	246·54895	15·97611	245·00000	15·87574		0·40000	0·02592	
Sovereign	123·27447	7·98805	122·50000	7·93787		0·20000	0·01296	
Half Sovereign	61·63723	3·99402	61·12500	3·96083		0·10000	0·00648	
SILVER:								
Crown	436·36363	28·27590	–	–	Thirty-seven fortieths fine silver, three-fortieths alloy; or millesimal fineness 925	1·81818	0·11781	0·004
Half Crown	218·18181	14·13795	–	–		0·90909	0·05890	
Florin	174·54545	11·31036	–	–		0·72727	0·04712	
Shilling	87·27272	5·65518	–	–		0·36363	0·02356	
Sixpence	43·63636	2·82759	–	–		0·18181	0·01178	
Groat or Fourpence	29·09090	1·88506	–	–		0·12121	0·00785	
Threepence	21·81818	1·41379	–	–		0·09090	0·00589	
Twopence	14·54545	0·94253	–	–		0·06060	0·00392	
Penny	7·27272	0·47126	–	–		0·03030	0·00196	
BRONZE:								
Penny	145·83333	9·44984	–	–	Mixed metal, copper, tin, and zinc.	2·91666	0·18899	None.
Halfpenny	87·50000	5·66990	–	–		1·75000	0·11339	
Farthing	43·75000	2·83495	–	–		0·87500	0·05669	

The weight and fineness of the coins specified in this Schedule are according to what is provided by the Act fifty-six George the Third, chapter sixty-eight, that the gold coin of the United Kingdom of Great Britain and Ireland should hold such weight and fineness as were prescribed in the then existing Mint indenture (that is to say), that there should be nine hundred and thirty-four sovereigns and one ten shilling piece contained in twenty pounds' weight troy of standard gold, of the fineness at the trial of the same of twenty-two carats fine gold and two carats of alloy in the pound weight troy; and further, as regards silver coin, that there should be sixty-six shillings in every pound troy of standard silver of the fineness of eleven ounces two pennyweights of fine silver and eighteen pennyweights of alloy in every pound weight troy.

(xxiii.) Royal Proclamation of 14th January 1871.

For giving Currency to Gold Coins made at the Branch Mint at Sydney, New South Wales, of the like designs as those approved for the corresponding Coins of the Currency of the United Kingdom.

Victoria R.

Whereas by an Order in Council bearing date the fourteenth day of January one thousand eight hundred and seventy-one, We have thought fit to order that the designs for gold coins to be coined at the Sydney Branch of Our Royal Mint, pursuant to Our Order in Council of the nineteenth day of August, one thousand eight hundred and fifty-three, establishing the said Branch of Our Royal Mint at Sydney, should be the like designs as now are and from henceforth may be from time to time approved by Us, and in force for the corresponding coins of the currency of this realm: And whereas, in pursuance of the said Order in Council, it is provided that a coinage of gold coins in accordance with the standards of weight and fineness of the various coins of the currency of this realm, and of the designs aforesaid, shall be made at the said Sydney Branch of Our Royal Mint: And whereas, pieces of money of the above descriptions will be coined at the said Branch of our Royal Mint, in pursuance of Orders issued and to be issued by Us; We have, therefore, by and with the advice

* The Second and Third Schedules, relating to repeals of earlier Acts, are omitted.

† *See* Schedule to the Coinage Act of 1891 (*infra*) for revised remedy allowances to be substituted for those of 1870.

of Our Privy Council, thought fit to issue this Our Royal Proclamation and We do ordain, declare, and command, that from and after the publication of this Our Proclamation in the London Gazette, all the said pieces of money so to be coined shall be current and lawful money within the United Kingdom of Great Britain and Ireland; and that from and after the promulgation of this Our Proclamation by the Governors or Officers administering the Government of the hereinafter-mentioned Colonies and Possessions respectively, that is to say:—

Antigua.	Natal.
Bahamas.	Nevis.
Barbados.	Newfoundland.
Bermuda.	New South Wales.
British Columbia.	New Zealand.
British Guiana.	Prince Edward Island.
Canada.	Queensland.
Cape of Good Hope.	St. Christopher and its Dependencies.
Dominica.	St. Helena.
Falkland Islands.	St. Lucia.
Gambia.	St. Vincent.
Gibraltar.	Sierra Leone.
Gold Coast.	South Australia.
Grenada.	Tasmania.
Honduras.	Tobago.
Jamaica.	Trinidad.
Lagos.	Turk's and Caicos Islands.
Malta.	Virgin Islands.
Mauritius.	Western Australia.
Montserrat.	

all the said pieces of money so to be coined shall be current and lawful money in Our said several Colonies and Possessions, and shall pass and be received as current and lawful money, and be a legal tender in the United Kingdom and the said Colonies and Possessions respectively, from the times aforesaid, at the like values and by the like names as the corresponding coins of the currency of this realm, and concurrently with any coins now current in the United Kingdom and the said Colonies and Possessions respectively.

Given at Our Court at Osborne House, Isle of Wight, this fourteenth day of January, in the year of Our Lord one thousand eight hundred and seventy-one, and in the thirty-fourth year of Our Reign.

God save the Queen.

(xxiv.) ROYAL PROCLAMATION of 24th March 1871.

For giving Currency in certain Colonies to Gold Coins made at Sydney, New South Wales, of the like designs of those approved for the corresponding Coins of the Currency of the United Kingdom.

Victoria R.

WHEREAS, in pursuance of Orders issued and to be issued by Us, a coinage of Gold Coins, in accordance with the Standards of Weight and Fineness of the Coins of the Currency of the United Kingdom of Great Britain and Ireland, and of the like designs as now are and from henceforth may be from time to time approved by Us, and in force for the corresponding Coins of the Currency of the said United Kingdom, is being or will be made at the Sydney Branch of Our Royal Mint, We have, by and with the advice of Our Privy Council, thought fit to issue this Our Royal Proclamation. And We do Ordain, Declare, and Command that, upon and

from and after the promulgation thereof by the respective Governors or Officers administering the Governments of Our Colony of Victoria and all or any other of Our Colonies and Possessions wherein Gold Coins, issued from Our Mint in London, are a legal tender, other than the Colonies and Possessions specified in the Proclamation promulgated in pursuance of Our Order in Council of the 14th January 1871, relating to the aforesaid Gold Coins, all the said pieces of Gold money so coined or to be coined shall be, and shall pass, and be received as current and lawful money, and be a legal tender for payments in Our said Colony of Victoria, and Our said other Colonies and Possessions respectively from the times aforesaid, at the like values and by the like names as the corresponding Coins of the Currency of the United Kingdom of Great Britain and Ireland, and concurrently with any Coins now current in the said Colony of Victoria, and the said other Colonies and Possessions respectively.

Given at Our Court at Windsor, this Twenty-fourth day of March, in the Year of Our Lord One Thousand Eight Hundred and Seventy-one, and in the Thirty-fourth Year of Our Reign.

God save the Queen.

(xxv.) Order in Council and Proclamation of 24th March 1876.

Whereas by Her Majesty's Royal Proclamation bearing date the thirteenth day of May one thousand eight hundred and sixty-nine, Her Majesty did, with the advice of Her Privy Council, declare and command that no copper monies whatsoever, other than and except such bronze monies as were then or are now current by virtue of Her Majesty's Proclamation bearing date the seventeenth day of December one thousand eight hundred and sixty, or any Proclamation dated subsequently to the said seventeenth day of December one thousand eight hundred and sixty, should be allowed to pass or be current in any payment whatsoever within the United Kingdom of Great Britain and Ireland after the thirty-first day of December one thousand eight hundred and sixty-nine; and whereas it hath been represented unto Her Majesty in Council by the Lords Commissioners of Her Majesty's Treasury that it would be expedient that the provisions of the said Proclamation, bearing date the thirteenth day of May one thousand eight hundred and sixty-nine, should be extended to certain of the Colonies and Possessions; and whereas there was this day read at the Board a Draft of a Proclamation extending the provisions of the said Proclamation bearing date the thirteenth of May one thousand eight hundred and sixty-nine, accordingly Her Majesty, having taken the same into consideration, was pleased, by and with the advice of Her Privy Council, to approve thereof, and to order, and it is hereby ordered, that the said Proclamation do take effect and come into force in such of the said Colonies, Possessions, and Dominions wherein proclamation shall have been made or shall be made for decrying the same copper monies from the date named in such last-mentioned Proclamation.

And the Lords Commissioners of Her Majesty's Treasury and the Right Honourable the Earl of Carnarvon, one of Her Majesty's Principal Secretaries of State, are to give the requisite directions for causing publication to be made thereof in Her Majesty's said Colonies and Possessions, and for the other purposes referred to therein accordingly.

BY THE QUEEN.

A PROCLAMATION.

Victoria R.

WHEREAS by Our Royal Proclamation bearing date the thirteenth day of May one thousand eight hundred and sixty-nine, after reciting that We had taken into consideration the state of the copper coin of this Kingdom, and had deemed it expedient, with the advice of Our Privy Council, that all copper monies of this realm, commonly called a penny, a half-penny, a farthing, and a half-farthing, coined at our Mint and current in Our Dominions by virtue of any Proclamation prior to the seventeenth day of December one thousand eight hundred and sixty, should be called in and re-coined: And further reciting that considerable quantities of the said copper monies before-mentioned had been received and exchanged at Our Mint, so that only a small portion of such monies was remaining in circulation at the date aforesaid, We did, with the advice of Our Privy Council, declare and command that no copper monies whatsoever (other than and except such bronze monies as were then and are now current by virtue of Our Proclamation bearing date the seventeenth day of December one thousand eight hundred and sixty, or any Proclamation dated subsequently to the said seventeenth day of December one thousand eight hundred and sixty), should be allowed to pass or be current in any payment whatsoever within the United Kingdom of Great Britain and Ireland after the thirty-first day of December one thousand eight hundred and sixty-nine.

Now, therefore, by this Our Royal Proclamation, and with the advice of Our Privy Council, We do think proper to declare and command, and We do hereby declare and command accordingly, that, in whatsoever of Our Colonies, Plantations, Possessions, and Dominions there be current copper monies of this realm, commonly called a penny, a half-penny, a farthing, and a half-farthing, other than and except such bronze monies as aforesaid, such copper monies be no longer allowed to pass or be current in any payment whatever within any of the said Colonies, Plantations, Possessions, and Dominions wherein proclamation shall have been made or shall be made for decrying the same copper monies from the date named in such Proclamation.

(xxvi.) REGULATIONS for the Supply of BRITISH SILVER and BRONZE COINAGE to the COLONIES.

21st February 1881.

NEW silver and bronze coin (half-crowns, florins, shillings, sixpences, and threepences, and pence, halfpence, and farthings) can be supplied to Colonial Governments from the Royal Mint on the following conditions:—

1. On receiving an application from the agent of the Colonial Government in London, the Master of the Mint will cause to be packed, and held to his order, such an amount of silver or bronze coin as may be required on behalf of the Colony.

2. The Master of Mint will undertake the payment of all expenses, including packing, freight, and shipping charges, connected with the shipment of silver and bronze coin to the port in the Colony agreed upon by the Master of the Mint and the agent of the Colony in London.

3. The agent of the Colonial Government will be required to pay to the account of the Master of the Mint at the Bank of England, on or before the delivery of the coin, the sum representing the nominal value of the new silver or bronze coin ordered.

4. The Colonial Government will be required to make such arrangements as may be deemed necessary for the withdral of worn silver coin from

circulation, and to cause the coin so withdrawn to be forwarded to the Mint or one of its branches (at Sydney or Melbourne), for recoinage. The Master of the Mint will defray all expenses, including freight and shipping charges, incurred in the transmission of worn coin to London, Sydney, or Melbourne, from a port of shipment to be agreed upon by the Master of the Mint, or the Deputy Master at Sydney or Melbourne, and the agent of the Colony.

5. The Imperial Government will pay to the Colonial Government, or its agent, the nominal value of the worn coin so withdrawn from circulation, as soon as it is received at the Royal Mint or one of its branches.

(xxvii.) Royal Proclamation of 13th May 1887.

Victoria R.

Whereas by an Act passed in the thirty-third year of Our reign, intituled "An Act to consolidate and amend the law relating to the Coinage and Her Majesty's Mint," it is amongst other things enacted,

That We, by and with the advice of Our Privy Council, shall from time to time, by Proclamation, determine the design for any coin.

We have, therefore, thought fit to order that certain of the coins made at the Mint, mentioned in the first schedule to the aforesaid Act, of the weight and fineness specified in that schedule, shall bear designs as follows:—

That every Five Pound Piece should have for the obverse impression Our effigy, with the inscription "Victoria D. G. Britt: Reg: F. D.," and for the reverse the image of Saint George armed, sitting on horseback, attacking the Dragon with a sword, and a broken spear upon the ground, and the date of the year, with a graining upon the edge; and that every Two Pound Piece should have the same obverse and reverse impression and inscription in all respects as the Five Pound Piece, with a graining upon the edge; and that every Sovereign should have the same obverse and reverse impression and inscription in all respects as the Five Pound Piece, with a graining upon the edge; and that every Half-Sovereign should have for the obverse impression the aforesaid effigy, with the inscription "Victoria Dei Gratia," and for the reverse the ensigns armorial of the United Kingdom contained in a garnished shield surmounted by the Royal Crown, with the inscription "Britanniarum Regina: Fid: Def:" and the date of the year, with a graining upon the edge; and that every Crown should have the same obverse and reverse impression and inscription in all respects as the Five Pound Piece, with a graining upon the edge; and that every Half-Crown should have for the obverse impression the aforesaid effigy, with the inscription "Victoria Dei Gratia," and for the reverse the ensigns armorial of the United Kingdom contained in a plain shield surrounded by the Garter, bearing the motto "Honi soit qui mal y pense," and the Collar of the Garter, with the inscription "Britanniarum Regina Fid: Def:" and the date of the year, with a graining upon the edge; and that every Florin should have for the obverse impression the aforesaid effigy, with the inscription "Victoria Dei Gratia," and for the reverse the ensigns armorial of the United Kingdom contained in four shields arranged crosswise, each shield crowned, and between the shields four sceptres surmounted by orbs, a thistle, and a harp, and a Star of the Garter in the centre, with the inscription "Britt: Reg: Fid: Def:" and the date of the year, with a graining upon the edge; and that every Shilling should have for the obverse impression the aforesaid effigy, with the inscription "Victoria Dei Gratia Britt: Regina F. D.," and for the reverse the ensigns armorial of the United Kingdom, contained in a plain shield surrounded by the Garter, bearing the motto "Honi soit qui mal y pense," and the date of the year, with a graining upon the edge; and that every Sixpence

should have the same obverse and reverse impression and inscription in all respects as the Shilling, with a graining upon the edge; and that certain other pieces of silver money called "The Queen's Maundy Monies," of fourpence, threepence, twopence, and one penny, should have for the obverse impression the aforesaid effigy, with the inscription "Victoria Dei Gratia Britt: Regina F. D.," and for the reverse the respective figures "4," "3," "2," "1" (according to the denomination or value of the piece) in the centre, with the date of the year placed across the figure, and encircled by an oak wreath surmounted by the Royal crown, with a plain edge:

And whereas by the aforesaid Act it is also enacted that it shall be lawful for Us, by and with the advice of Our Privy Council, from time to time, by Proclamation, to determine the denominations of coins to be coined at the Mint, and it is by the said Act provided that any coin of gold, silver, or bronze, of any other denomination than that of the coins mentioned in the first schedule to the aforesaid Act, which is hereafter coined at the Mint, shall be of a weight and fineness bearing the same proportion to the weight and fineness specified in that schedule as the denomination of such coins bears to the denominations mentioned in that schedule.

We have, therefore, further thought fit to order that a new coin, to be called a Double Florin, should be coined, of the standard weight of 349·09090 grains, and of the fineness of thirty-seven fortieths fine silver and three-fortieths alloy, and should pass and be received as current and lawful money of the United Kingdom of Great Britain and Ireland at the rate of four shillings, or One-fifth of a Pound; and that every such coin should have the same obverse and reverse impression and inscription in all respects as the Florin, with a graining upon the edge.

And whereas pieces of money of the above descriptions respectively have been coined at Our Mint, and will be coined there in pursuance of orders which We have given for that purpose, We have, therefore, by and with the advice of Our Privy Council, thought fit to issue this Our Royal Proclamation; and We do hereby ordain, declare, and command that the said pieces of money respectively so coined and to be coined as aforesaid shall be current and lawful money of the United Kingdom of Great Britain and Ireland, and that this, Our Royal Proclamation, shall come into operation on the date hereof.

Given at Our Court at Windsor, this Thirteenth day of May, in the Year of Our Lord One Thousand Eight Hundred and Eighty-seven, and in the Fiftieth Year of Our Reign.

God save the Queen.

(xxviii.) Coinage Act, 1889 (52 & 53 Vict. c. 58).

An Act to amend the Coinage Act, 1870, as respects Light Gold Coins. [30th August 1889.]

33 & 34 Vict. c. 10.

WHEREAS by section seven of the Coinage Act, 1870, it is enacted as follows:—

"Where any gold coin of the realm is below the current weight as provided by this Act, or where any coin is called in by any Proclamation, every person shall, by himself or others, cut, break, or deface any such coin tendered to him in payment, and the person tendering the same shall bear the loss:"

And whereas the said section has failed to maintain the integrity of the gold coinage of the realm, and it is expedient to provide for the exchange

of a portion of such gold coins as, owing to fair wear and tear, are below the least current weight without charging the holders thereof for the loss:

Be it therefore enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

Provision as to exchange of light pre-Victorian gold coins.

1.—(1.) Any gold coin of the realm coined before the reign of Her present Majesty which is below the least current weight as provided by the Coinage Act, 1870, may, within the time and in the manner from time to time directed by Her Majesty the Queen in Council, be tendered for exchange, and, if it has not been illegally dealt with, shall (notwithstanding anything in section seven of the Coinage Act, 1870) be exchanged or paid for by or on behalf of the Mint at its nominal value:

(2.) Any expenses incurred by reason of such exchange or payment shall be defrayed out of moneys provided by Parliament.

(3.) For the purposes of this Act a gold coin shall be deemed to have been illegally dealt with, where the coin has been impaired, diminished, or lightened otherwise than by fair wear and tear, or has been defaced by having any name, word, device or number stamped thereon, whether the coin has or has not been thereby diminished or lightened:

(4.) In a gold coin loss of weight exceeding the amount specified in that behalf in the schedule to this Act shall for the purposes of this Act be primâ facie evidence that the coin has been impaired, diminished, or lightened otherwise than by fair wear and tear.

Short titles.

2. This Act may be cited as the Coinage Act, 1889.

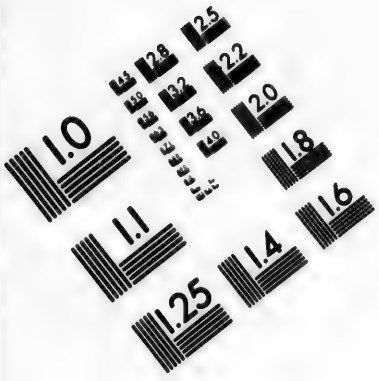
This Act and the Coinage Act, 1870, may be cited together as the Coinage Acts, 1870 and 1889.

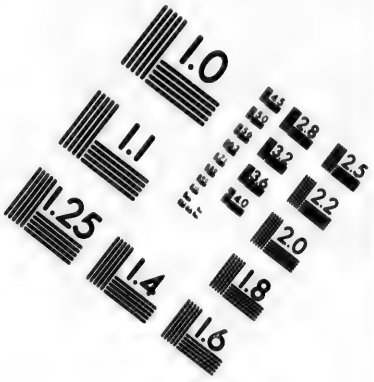
SCHEDULE.

Loss of Weight which is to be evidence of Coin being illegally dealt with.

Description of Gold Coin.	Amount of Loss of Weight in each Coin, which is to be evidence that the Coin has been illegally dealt with.
A sovereign or half-sovereign coined before the reign of Her present Majesty.	Loss exceeding four grains from the standard weight.

Note—In the case of any coin of higher denomination than a sovereign, a loss on each coin, proportionate to that on the sovereign, shall be evidence that the coin has been illegally dealt with. The standard weight of a sovereign is 123·27447 grains, and the standard weight of a half-sovereign is 61·63723 grains.





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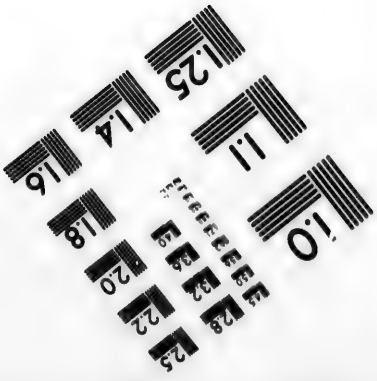

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(xxix.) ROYAL PROCLAMATION of 22nd November 1890.

WHEREAS by "The Coinage Act, 1870," We are empowered, with the advice of Our Privy Council, by Proclamation to call in coins of any date or denomination, or any coins coined before the date in such Proclamation mentioned.

And whereas by "The Coinage Act, 1889," it was provided that any Gold Coin of the realm, coined before Our Reign which should be below the least current weight as provided by "The Coinage Act, 1870," might, within the time and in the manner, from time to time, directed by Us in Council, be tendered for exchange, and if it had not been illegally dealt with, should be exchanged or paid for by or on behalf of the Mint at its nominal value.

And whereas We, by Orders in Council made, pursuant to "The Coinage Act, 1889," on the thirteenth day of December, one thousand eight hundred and eighty-nine, and eighth day of February, one thousand eight hundred and ninety, ordered that the time within which any coin mentioned in section one of "The Coinage Act, 1889," might be tendered for exchange should be the thirty-first day of March, one thousand eight hundred and ninety, and in the manner in the said Orders respectively mentioned.

And whereas a large number of Gold Coins coined before Our Reign have been so exchanged or paid for, and a few only remain in circulation, and it is expedient to call in all such coins.

Now therefore We do, with the advice of Our Privy Council, and in pursuance of "The Coinage Act, 1870," and of all other powers enabling Us in this behalf, by this Our Royal Proclamation, call in by the twenty-eighth day of February one thousand eight hundred and ninety-one all Gold Coins of the realm coined before Our Reign, and declare and command that, from and after such twenty-eighth day of February, one thousand eight hundred and ninety-one, such coins shall not be current or legal tender within Our United Kingdom of Great Britain and Ireland.*

(xxx.) Coinage Act, 1891 (54 & 55 Vict. c. 72).

An Act to amend the Coinage Act 1870. [5th August 1891.]

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows :

rovision as to xchange of light old coins, 3 & 34 Vict. . 10.

1.—(1.) It shall be lawful for Her Majesty, by Order in Council, to direct that gold coins of the realm which have not been called in by Proclamation and are below the least current weight as provided by the Coinage Act, 1870, shall, if they have not been illegally dealt with, and subject to such conditions as to time, manner, and order of presentation, as may be mentioned in the Order, be exchanged or paid for by or on behalf of the Mint at their nominal value.

(2.) For the purposes of this Act a gold coin shall be deemed to have been illegally dealt with where the coin has been impaired, diminished, or lightened otherwise than by fair wear and tear, or has been defaced by having any name, word, device, or number stamped thereon, whether the coin has or has not been thereby diminished or lightened.

(3.) In a sovereign or half sovereign loss of weight exceeding three grains from the standard weight shall, for the purposes of this Act, be primâ facie evidence that the coin has been impaired, diminished, or lightened otherwise than by fair wear and tear.

(4.) Towards meeting the expenses to be incurred in pursuance of this section the sum of four hundred thousand pounds shall be charged on and

* By Order in Council of 21st March 1890, pre-Victorian gold coins were allowed to be presented for exchange at the Sydney and Melbourne Mints up to 30th April 1890.

issued from the Consolidated Fund in the year ending the thirty-first day of March, one thousand eight hundred and ninety-two, and, so far as not immediately required, may be invested in such manner as the Treasury direct; and any interest thereon shall be applied for the purposes of this section.

Remedy allowances for coin.

2. The remedy allowances for gold, silver, and bronze coins shall be such as are specified in the schedule to this Act; and in all copies of the Coinage Act, 1870, printed after the passing of this Act, the First Schedule to that Act shall be printed so as to give effect to the amendments made by this section.

Short titles and construction.

3.—(1.) This Act may be cited as the Coinage Act, 1891.

(2.) This Act and the Coinage Act, 1870, may be cited together as the Coinage Acts, 1870 and 1891.

(3.) Expressions used in this Act have the same meaning as in the Coinage Act, 1870.

SCHEDULE.

Denomination of Coin.	Standard Fineness.	Remedy Allowance. Weight per Piece. Imperial Grains.	Weight per Piece. Metric Grams.	Millesimal Fineness.
Gold:				
Five-pound	Eleven-twelfths fine gold, one-twelfth alloy; or millesimal fineness 916·6.	1·00	0·06479	2
Two-pound		0·40	0·02592	
Sovereign		0·20	0·01296	
Half-sovereign		0·10	0·00972	
Silver:				
Crown	Thirty-seven fortieths fine silver, three-fortieths alloy; or millesimal fineness 925.	2·000	0·1296	4
Double-florin		1·678	0·1087	
Half-crown		1·264	0·0788	
Florin		0·997	0·0648	
Shilling		0·578	0·0375	
Sixpence		0·346	0·0224	
Groat or Fourpence		0·262	0·0170	
Threepence		0·212	0·0138	
Twopence		0·144	0·0093	
Penny		0·087	0·0056	
Bronze:				
Penny	Mixed metal, copper, tin, and zinc.	2·91666	0·18899	None.
Halfpenny		1·75000	0·11339	
Farthing		0·87500	0·05669	

(xxxi.) Order in Council of 16th March 1892.

Whereas by the Coinage Act, 1891, it is enacted as follows:—

(1.) It shall be lawful for Her Majesty, by Order in Council, to direct that gold coins of the realm which have not been called in by proclamation and are below the least current weight as provided by the Coinage Act, 1870, shall, if they have not been illegally dealt with, and subject to such conditions as to time, manner, and order of presentation as may be mentioned in the Order, be exchanged or paid for by or on behalf of the Mint at their nominal value:

(2.) For the purposes of this Act a gold coin shall be deemed to have been illegally dealt with where the coin has been impaired, diminished, or lightened otherwise than by fair wear and tear, or has been defaced by having any name, word, device, or number stamped thereon, whether the coin has or has not been thereby diminished or lightened.

And whereas it is expedient to provide for the exchange of such gold coins:

Now, therefore, Her Majesty, by and with the advice of Her Privy Council, in pursuance of the said Act, and of all other powers enabling Her Majesty in this behalf, is pleased to order, and it is hereby ordered, as follows :—

Any gold coins of the realm which have not been called in by proclamation and are below the least current weight as provided by the Coinage Act, 1870, shall at any time after the seventeenth day of March 1892, if they have not been illegally dealt with, be exchanged or paid for by or on behalf of the Mint at their nominal value, subject to the condition that they must be tendered during business hours at the Bank of England in London, in parcels of a nominal value of not less than one hundred pounds each, and must be left there for such time before the exchange or payment as may be reasonably necessary for examination and weighing in order to ascertain whether any coin has been illegally dealt with within the meaning of the said Act.

And the Master of Her Majesty's Royal Mint is hereby directed to carry into effect the provisions of the said Act for exchanging or paying for at their nominal value all such coins as are so tendered, and have not been illegally dealt with.

(xxxii.) Charge for Coining Gold at the Sydney Mint.

DATE OF REGULATIONS.	CHARGE.	REMARKS.
10 May 1855 - -	½ per cent.; not less than 1,000 oz. received.	"The Sydney Mint is not open for melting and refining plate and jewellery or bullion which has been previously wrought, or for converting such into coin. Unsuitable importations will be returned."
28 June 1855 - -	From 10,000 oz. upwards, ½ per cent. Under 10,000 oz., but above 12 oz., 1 per cent.	An additional ½ per cent. charged in cases requiring early payment (within three days of delivery at Mint).
22 September 1855	From 1,000 oz. upwards, ½ per cent. Under 1,000 oz. but above 12 oz., 1 per cent.	An additional ½ per cent. charged in cases requiring early payment (within two days of delivery).
24 October 1859 -	A reduction of ½ per cent. made from the foregoing charge in favour of gold produced in any other part of Australasia than New South Wales.	
14 August 1866 -	Over 1,000 oz. 6 *d.** per oz. standard. Under 1,000 oz. 8 *d.* per oz.* standard. (Minimum weight received, 12 oz.)	A reduction of 3 *d.* per oz. made in favour of gold from other countries than New South Wales.
30 June 1869 -	Over 1,000 oz. 6 *d.** per oz. standard. Under 1,000 oz. 8 *d.** per oz. standard. (Minimum weight received, 10 oz.)	Ditto - - - ditto.
23 August 1870 -	Over 1,000 oz. 6 *d.** per oz. standard. Under 1,000 oz. 8 *d.** per oz. standard. (Minimum weight received, 10 oz.)	Ditto - - - ditto. All silver over 2 per cent. will be paid for at 5 *s.* per oz. fine.
18 August 1874 -	Over 5,000 oz. 4 *d.* per oz. standard. 1,000 to 5,000 oz. 6 *d.* per oz. standard. Under 1,000 oz. 8 *d.* per oz. standard. (Minimum weight received, 10 oz.)	Gold from other countries: Over 1,000 oz. 3 *d.* per oz. standard. Under 1,000 oz. 5 *d.* per oz. standard. Silver over 2 per cent. paid for at 5 *s.* per oz.
18 November 1875	Ditto - - - ditto - - -	Ditto - - - ditto. Light gold coin received without any charge. Silver over 2 per cent. paid for at 5 *s.* per oz. fine.

(xxxii). Charge for Coining Gold at the Sydney Mint—(*continued*).

DATE OF REGULATIONS.	CHARGE.	REMARKS.
24 August 1876 -	Over 5,000 oz. 4 *d.* per oz. standard. 1,000 to 5,000 oz. 6 *d.* per oz. standard. Under 1,000 oz. 8 *d.* per oz. standard. Under 12 oz. 8 *s.*	Gold from other countries: Over 1,000 oz. 3 *d.* per oz. standard. 12 to 1,000 oz. 5 *d.* per oz. standard. Under 12 oz. 5 *s.* Silver over 2 per cent paid for at a rate to be from time to time notified in the Gazette.
2 October 1876 -	Ditto - - - ditto - - -	Gold from other countries: Over 5,000 oz. 2 *d.* per oz. standard. 1,000 to 5,000 oz. 3 *d.* per oz. standard. 12 to 1,000 oz. 5 *d.* per oz. standard. Under 12 oz. 8 *s.* Silver over 2 per cent. paid for at a rate to be from time to time notified in the Gazette.
26 September 1879	Over 5,000 oz. 2 *d.* per oz. standard. 500 to 5,000 oz. 4 *d.* per oz. standard. Under 500 o . 6 *d.* per oz. standard. Under 12 oz. 6 *s.*	A reduction of 1 *d.* per oz. from the New South Wales charge made in favour of gold from other countries 5 *s.* being charged for deposits under 12 oz. Light gold coin received free, if of 3 *l.* nominal value. Silver over 2 per cent. paid for at 4 *s.* per oz.
10 August 1886 -	Ditto - - - ditto - - -	Ditto - - - ditto. Silver over 2 per cent. paid for at a rate to be from time to time notified in the Gazette.†

* These charges are described as 3 *d.* and 5 *d.* per oz. standard, "in addition to the charge of 2 *d.*" per oz. imposed by Her Majesty's Proclamation of the 3rd of February 1866 on the coinage of gold."

† By Gazette notice of 10th August 1886 the rate, which had been 4 *s.* per oz. since 31st August 1876, was fixed at 3 *s.* 6 *d.* the oz. fine. By Government notice of 13th April 1892 this allowance was reduced to 3 *s.* 3 *d.* per oz. fine.

(xxxiii.) Charge for Coining Gold at the Melbourne Mint.

DATE OF REGULATIONS.	CHARGE.	REMARKS.
12 June 1872 -	Over 5,000 oz. 3 *d.* per oz. Under 5,000 oz. 4½ *d.* per o . Under 20 oz. 7 *s.* 6 *d.*	Calculated on the gross or on the standard weight, whichever is greater.
29 December 1873	Over 1,000 oz. 3 *d.* per oz. Under 1,000 oz. 5 *d.* per oz.	Calculated on the standard weight of deposit.
19 April 1875 -	Over 1,000 oz. 1½ *d.* per oz. Under 1,000 oz. 3 *d.* per oz. Minimum charge 7 *s.* 6 *d.*	Ditto - - - ditto.
7 October 1878 -	Over 1,000 oz. 1½ *d.* per oz. Under 1,000 oz. 2 *d.* per oz. Minimum charge 4 *s.*	Calculated on the gross weight of deposit before melting.

(xxxiv.) ROYAL PROCLAMATION of 30th January 1893.

WHEREAS by an Act passed in the thirty-third year of Our reign, intituled, "An Act to consolidate and amend the law relating to the Coinage and Her Majesty's Mint," it is amongst other things enacted: That We, by and with the advice of Our Privy Council, shall from time to time by Proclamation determine the design for any coin:

We have, therefore, thought fit to order that certain of the coins made at Our Mint, mentioned in the first schedule to the aforesaid Act, of the weight and fineness specified in that schedule, shall bear designs as follows:—

That every Five Pound Piece should have for the obverse impression Our effigy, with the inscription "Victoria: Dei: Gra: Britt: Regina: Fid: Def: Ind: Imp:" and for the reverse the image of Saint George armed, sitting on horseback, attacking the Dragon with a sword, and a broken spear upon the ground, and the date of the year, with a graining upon the edge; and that every Two Pound Piece should have the same obverse and reverse impression and inscription in all respects as the Five Pound Piece, with a graining upon the edge; and that every Sovereign should have the same obverse and reverse impression and inscription in all respects as the Five Pound Piece, with a graining upon the edge; and that every Half-Sovereign should have the same obverse and reverse impression and inscription in all respects as the Five Pound Piece, with a graining upon the edge; and that every Crown should have the same obverse and reverse impression and inscription in all respects as the Five Pound Piece, and on the edge of the piece in raised letters "Decus et Tutamen Anno Regni," the year of the reign being in Roman numeral letters; and that every Half-Crown should have for the obverse impression the aforesaid effigy, with the inscription "Victoria: Dei: Gra: Britt: Reg.:" and for the reverse the ensigns armorial of the United Kingdom contained in a shield surmounted by the Royal Crown, and surrounded by the Collar of the Garter, with the inscription "Fid: Def: Ind: Imp:" together with the words "Half-Crown" and the date of the year, with a graining upon the edge; and that every Florin should have the same obverse impression and inscription in all respects as the Five Pound Piece, and for the reverse two Royal sceptres in saltire behind three shields, the shield on the dexter, in bend, bearing the Arms of England, that on the sinister, in bend sinister, Scotland, and that in base, Ireland; between them the three emblems, the rose, the thistle, and the shamrock, each shield surmounted by the Royal Crown, the Garter, bearing the motto "Honi soit qui mal y pense," underlying the whole, and the words "One Florin: Two Shillings," and the date of the year, with a graining upon the edge; and that every Shilling should have the same obverse impression and inscription in all respects as the Five Pound Piece, and for the reverse three shields, that on the dexter bearing the Arms of England, that on the sinister Scotland, and that in base Ireland, each surmounted by the Royal Crown; between them the three emblems, the rose, the thistle, and the shamrock, the Garter, bearing the motto "Honi soit qui mal y pense," underlying the whole, and the words "One Shilling," and the date of the year, with a graining upon the edge; and that every Sixpence should have the same obverse impression and inscription in all respects as the Five Pound Piece, and for the reverse the words "Six Pence" placed in the centre of the piece, having an olive branch on one side and an oak branch on the other, surmounted by the Royal Crown, and the date of the year between and below the branches, with a graining upon the edge; and that certain other pieces of silver money called "The Queen's Maundy Monies," of Fourpence, Threepence, Twopence, and One Penny, should have the same obverse impression and inscription in all respects as the Five Pound Piece, and for the reverse the respective figures "4," "3," "2," "1" (according to the denomination or value of the piece) in the centre, with the date of the year placed across the figure, and encircled by an oak wreath surmounted by the Royal Crown, with a plain edge.

And whereas pieces of money of the above descriptions respectively have been coined at Our Mint, and will be coined there and, so far as relates to gold coins, at Our Branch Mints, in pursuance of Orders which We have given for that purpose, We have, therefore, by and with the advice of Our Privy Council, thought fit to issue this Our Royal Proclamation, and We do hereby ordain, declare, and command that the said pieces of money respectively so coined, and to be coined as aforesaid shall be current and lawful money of the United Kingdom of Great Britain and Ireland, and that this Our Royal Proclamation shall come into operation in the United Kingdom from the date on which it is published in the London Gazette, and in the Colonies of New South Wales and Victoria from the date on which it is published by the Governors of those Colonies respectively.*

* It will be observed that the Proclamation purports to be strictly limited in its application.

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